

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

SEPTEMBER 1943



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FIRST NATIONAL BANK IN PALM BEACH

Women in war work (see page 3)

Yearbook

SEPTEMBER brings the annual meeting of the American Bankers Association membership, and so **BANKING**, in its non-statistical way, makes this number its Yearbook issue.

Here we do some peering into the future as well as into the past, pointing our sights toward tomorrow's world and at the same time turning back the pages of a year that history will label Turning Point.

We always say, when talking about our Yearbook, that it makes no pretense at completeness, and that it is not an encyclopaedia. Its purpose, we reiterate, is to remind you of some things that have happened during the year, to sharpen your contacts with the present and to whet your curiosity as to the future.

War Service

THE Association's convention has been converted into a War Service Meeting for this year, the program compressed into two and a half days of business sessions, conferences, talks, discussions, with emphasis on war economy at home and abroad. There is no entertainment and each member bank is invited to send only one delegate.

In case you're not coming to New York for this meeting (the dates are September 13-15) **BANKING**, on your (CONTINUED ON PAGE 31)

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

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September 1943

RATION BANKING

*-a Vital New
War-Time Service*

Since Pearl Harbor, AMERICA'S BANKS have put in millions of man-hours for Victory! * * And though they have lost hundreds of thousands of trained employees, they have done an outstanding and indispensable job on War Production Financing, War Bond Sales, Victory Fund Drives, and Payroll Handling for War Industries and our Armed Forces. * * And now, Uncle Sam has turned to this nation's Banks for assistance in expediting the handling of America's far-reaching Plan for the rationing of essential commodities. * * The result is RATION BANKING — a procedure which is of inestimable value to Retailers and Wholesalers and goes far toward keeping the entire

Ration Plan running smoothly and efficiently. * * This new service is of vast magnitude. It involves the setting up within the Bank of an entirely separate system of credit and audit control and the collecting, recording, and safeguarding of BILLIONS of Ration Stamps and Coupons. * * Under this new system, stamps and coupons are banked like money and Ration Checks are drawn against deposits — just as Commercial Checks are drawn against dollar deposits. * * And because these Ration Checks require the same degree of protection against alteration as dollar checks, they are, in most instances, lithographed or printed on La Monte Safety Paper!

For samples of La Monte Safety Papers, see your Lithographer or Printer — or write us direct.



FOR VICTORY
BUY UNITED
STATES WAR
BONDS AND
STAMPS

LA MONTE *Safety* PAPER

GEORGE LA MONTE & SON Nutley, New Jersey



JUST A MINUTE—Continued

behalf, tries to supply a substitute. We summarize, in text and picture, the Association year, sketch the program, and canvass some of the more important problems confronting banks today, as well as their contributions to the war job.

If you are coming to New York, we hope our Yearbook will increase your anticipation of the carefully planned program that awaits you.

Our Cover

PERHAPS we should have mentioned it first. Here's the story:

The Office of War Information and the War Manpower Commission sponsored a September magazine cover competition. National magazines were asked to show "a photograph, painting, or drawing of a woman doing the sort of war work not fully appreciated as war work but which, in a total war, is war work."

"This includes," continued the invitation to participate, "the hard, the strenuous, the unglamorous work of women in agriculture, communications, education, medical care, restaurants, hotels, stores, transportation, office work. The covers will be, in effect, a salute to the unsung heroines of the home front, who have rolled up their

sleeves and pitched into full-time paid work."

Well, bank women certainly qualify, and we offer our entry for the prizes awarded by the Museum of Modern Art, New York City, for the best covers in each of eight magazine classifications. The teller (tellerette?) who is waiting on the soldiers represents the tens of thousands of women whose usefulness to banking in a time of emergency most certainly entitles them to a place among the heroines, whether sung or unsung.

The picture was made at the Boca Raton Field facility of the First National Bank in Palm Beach, Florida.

More About Women

LINGERING (fondly, of course) on the subject of women, we call attention to "It's Surprising What a Bank Can Do," page 30. This is a panel discussion by a half dozen bankers on how the manpower problem has been relieved by womanpower—in other words, how women are helping banks carry on at a time when demands for banking service were almost unprecedented.

Supplementing this article is "Women in the Plant," which pictures the various jobs they are holding in banks.

A Look Ahead

WE know you'll be interested in "The (CONTINUED ON PAGE 5)

The Working Men's Savings Bank!



NIGHT OFFICES FOR SUBSCRIBING to the 7-30 LOAN

Where Working Men and Women who haven't time by Day, can go in the EVENING, and invest their earnings, where they will be forever safe—where Cities, Counties and States can't tax them—and where they will draw the BIGGEST INTEREST!

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CHAS. MCARTER, Post Office Square, N. Y. C.
WARD & ROCKEVEN, 313 Broad Street, Newark.
EDM. STEPHENSON, 330 Third Avenue at 9th National Bank.
SECOND NATIONAL BANK, Jersey City.
W. HANLAN PARKER, 1 Court Street, cor. Montague, Brooklyn.
JOHN SULLIVAN, 733 Broadway.
S. W. WOODLEY, 125 Grand Street, Williamsburg.
HENRY ULMANN, 100 Graham Street, Williamsburg.

Fetch on your little sums of \$50 & \$100. BUILD THE U. S. GOVERNMENT 7-30 SAVINGS PLAN.

Students of American financial history are familiar with the whirlwind campaigns that sold Washington Government bonds during the Civil War. Here is a poster aimed at the pay envelopes of workers during one of Jay Cooke's famous sales drives

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of
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for
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"FLY BLIND"**



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FOR AMERICAN BANKERS

*An Unfailing Guide to all Activities
in Busy, Progressive New England*

The Shawmut is proud to be known as a bank for bankers,
not just regionally but throughout the Nation.

More than one-third of our deposits are from sources out-
side New England . . . a goodly proportion from banks
and bankers.

This affords The Shawmut many opportunities to demon-
strate to its banking friends everywhere its willingness and
ability to perform unusual and difficult tasks.

YOUR INQUIRY IS INVITED

The National
Shawmut Bank

40 Water Street, Boston

Member Federal Deposit Insurance Corporation

Return of the Future." Here, you might say, is a preview of the post-war world that everybody's talking about; the viewing is done by more than 30 business leaders and qualified experts who have done some careful thinking about these things that are to come.

There are, for example, glimpses of tomorrow's home, tomorrow's aircraft—and tomorrow's opportunities for young people in many vocations.

Have a look! The price of admission is the effort required to turn to page 53.

We're Lucky, Mr. Makin

F. BRADSHAW MAKIN, of England, who occasionally contributes an article on phases of British economy in war or peace, airmailed us a report on how rationing is working in his homeland. We won't go into details here, but we do want to reprint the last two paragraphs of his article:

"The writer has before him at the moment the U.S.A. point values chart of June 6 showing some 50 or 60 different cuts of beef, with porterhouse steak 11 points per pound. Over here we get 20 cents' worth of meat per week and we take what is given us (there is no consumer selection) and we are darned glad to get it.

"In case any reader wonders what the writer's reactions might be, here they are: What couldn't I do to a porterhouse steak!"

So, next time you're inclined to beef about beef (or lamb or veal or pork), shortages,—well, don't.

He Saved the Ammunition

PROBABLY you read about him in the newspapers. His name is EDMUND L. WHEELER and he was a buck private when, single handed, he captured a Sicilian town, taking it quietly because, he said, he wanted to save some American artillery ammunition.

"He wants to know where he can make just a plain deposit"



THE TELLER, DETROIT BANK

"3-1"

The words "PHILADELPHIA NATIONAL" bring to the minds of many business men the bank which has played an important part in the development of business and industry over a period of 140 years...almost the lifetime of our Nation.

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"3-1" speaks your language, offers unexcelled facilities and cordially invites your account.

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With ample sound assets (over a billion dollars), with more than a million deposit accounts, with branches throughout Canada and Newfoundland and with offices in New York, Chicago and San Francisco, Bank of Montreal provides a strong organization for facilitating transactions between the United States and Canada.

Inquiries may be directed to our American offices or to the Head Office.

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ESTABLISHED 1817

ASSETS OVER A BILLION DOLLARS

Press dispatches detailing the exploit and reprinting his own laconic report about it (he's as thrifty with words as with bullets) appear in this month's "Heard Along Main Street" for the reason that Private WHEELER was once a page boy in the United States Trust Company of New York.

At the bank they remember him as a long, lean, blond boy who took night classes at New York University and who left his job in 1940 for some Army service. He came back as a reservist a year later, but the day after Pearl Harbor he was off again, this time to the wars and fame.

Somehow we have a hunch he's no longer Private EDMUND L. WHEELER. Boys like that go places—fast!

Lieutenant Paul Negley

THE other day BANKING received this letter from E. N. MYERS, assistant cashier, The Piqua (Ohio) National Bank & Trust Company:

"I am sorry to advise you that you may take PAUL NEGLEY's name off your mailing list.

"Lt. PAUL L. NEGLEY (Pilot) was killed in New Guinea on April 8, 1943.

"PAUL NEGLEY was an employee in our bank and attended American Insti-

This newspaper story on Private Wheeler's exploit included his brief report

Private Captures Town In Sicily Single-Handed

*Former N.Y. Bank Clerk Taken
Nazi Straggler Prisoner*

WITH AN AMERICAN RECONNAISSANCE PLATOON, Cerami, Sicily, Aug. 1 (Delayed) (UP).—Private Edmund Wheeler, twenty-two years old, of Old Chatham, N. Y., took this mountain town of 3,750 persons single-handed two days ago and went out yesterday to meet the rest of the Army and hand over a German prisoner he had taken.

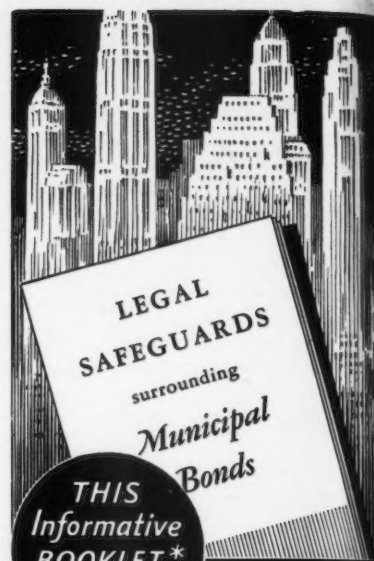
Private Wheeler's official report to Lieutenant John R. Armellino, of New York, commanding this reconnaissance platoon of twenty-eight men, follows:

"1930 (7:30 p. m.)—Reached south flank of town without opposition.

"0745 (7:45 a. m.)—Entered town and captured straggler. No resistance.

"0800 (8 a. m.)—Met 9th Division attacking town from north."

Private Wheeler, lanky, blond and soft-spoken, was formerly a clerk in the United States Trust Company, at 45 Wall Street, New York, and studied at New York University at night.



how
**Investors' Interests
are Safeguarded
by Law . . .**

Laws that protect investors in municipal bonds are explained in the above booklet—fourth in a series published to meet the widened market for municipal securities. Explains general purposes of such laws, the growth of safeguards to assure validity and payment, to prevent misuse of municipal credit, and to safeguard both issuer and purchaser of municipal obligations.

HELPFUL TO ALL INVESTORS

Of value to those contemplating first purchases of municipal securities, and, no less, to experienced investors.

*SENT ON REQUEST with Ready-Reckoning Chart showing which yields more at your income-level, taxable or tax-exempt bonds. Ask for KC-91.

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U. S. WAR
BONDS &
SAVINGS
STAMPS
NOW!

"HAVE YOU INVENTORY?"

FREE: "How to Solve a Difficult Financial Problem"



has time for constructive management.

A worried executive, with capital frozen in inventories, and hounded by creditors, discovers Douglas-Guardian Service. He gets on a cash-discount basis.

... is a question that bankers are going to ask more and more during the remainder of the war and the change-over period to follow... having in mind the use of Douglas-Guardian Service.

Right now, our Field Warehousing Service is helping you bankers to supply huge sums of money to keep the wheels of production turning, with

inventory as collateral... tomorrow it will help you provide the capital for a vast production of civilian goods.

The loans so validated, constitute a brighter side of your loan picture, both now and post war. Because, a loan on Field Warehoused collateral is a SAFE loan and a profitable one. Address our nearest office for information.

Field Warehousing by Douglas-Guardian

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Atlanta Cleveland Dallas Elmer, Md. Los Angeles Memphis New York Philadelphia
San Francisco Portland, Ore. Rochester, N. Y. Springfield, Mass. Tampa, Fla. Springfield, Ala.

Points of Contact in CANADA

For information concerning business with Canada consult The Royal Bank of Canada, with over 500 branches serving every province of the Dominion.

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Development Department



New York Agency
68 William Street

THE ROYAL BANK OF CANADA

Head Office, Montreal—Assets exceed \$1,400,000,000

DRISCOLL, MILLET & COMPANY

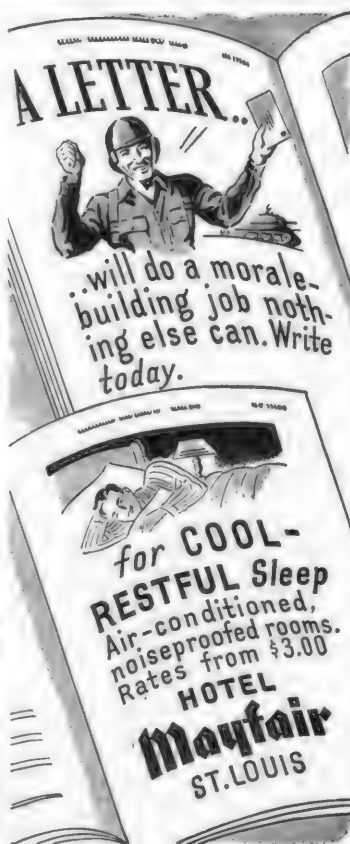
Analysts in Bank Management

LEWIS TOWER
PHILADELPHIA

*Can you measure the extent
of accomplishment in the
management of your
bank?*

Seventeen years of specialized study in over 1300 commercial and savings banks have enabled us to develop the means by which this can be done.

MANAGEMENT REPORTS
ANALYTICAL REPORTS
EXAMINATIONS



JUST A MINUTE—Continued



"Yes, Mr. Morgenthau knows the new pennies look like dimes!"

tute of Banking classes in Dayton. . . . He was like all the other boys that are killed in this war: the cream of our crop of young men."

Bank Money Orders

WE heard recently about a New York hotel that refused to cash a bank money order.

"As bank money orders are official bank instruments," observed our informant, "they should provide the same negotiability as treasurers' or cashiers' checks."

Any other banks had difficulty along that line?

Operations

IN talking about this issue a few pages back, we should have mentioned the section "Bank Operations in Wartime."

Here are up to the minute reports on actual bank experience in such important matters as conservation of equipment and material, operating economies, personnel, service to service men, time savers, improvement of service, and many other things that may well give you some ideas for use in your bank.

The page numbers are 65-88.

Our August Rebus

IN calling attention to last month's rebus "The Art of Making Money Plenty" we essayed a transcription of Poor Richard's precepts, but admitted that we were uncertain of one word-picture, although we assumed it was "inform."

From KENNETH K. WUNSCH, editor of the *Northwestern National News*, published by the Northwestern National Life Insurance Company of Minneapolis, comes confirmation of our guess.

(CONTINUED ON PAGE 10)



Proud of your service stars?

Of course you are. You knew those boys, every one of them. They were loyal and dependable. They'll do a good job for Uncle Sam.

But they left you with a war-time personnel problem to solve. New faces in the tellers' cages. Over at George's desk another bookkeeper came to work this morning. Some are temporary—some permanent. They are not the old tried and trusted staff. You know that your fidelity hazard has increased and for the bank's security something must be done about it.

The America Fore Group of insurance companies offers you an up to date bank survey, which encompasses all the normal and war-time hazards to which you are subject. It checks your bank's bonding coverages as well as many other sources of potential loss. Ask for a survey now. It's an asset to any bank.

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BERNARD M. CULVER
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THE AMERICA FORE INSURANCE AND INDEMNITY GROUP
80 MAIDEN LANE, NEW YORK, N.Y.



Gentlemen: Furnish us with further information regarding your complete survey service which is available to all banks without cost or obligation.

NAME OF BANK _____

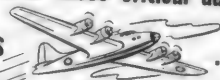
ADDRESS _____

90 CROWDED YEARS

From the days of the horse car



...back in 1853...to these critical days of globe-girdling bombers



...the First

Wisconsin National Bank has served Milwaukee and Wisconsin for 90 crowded years!

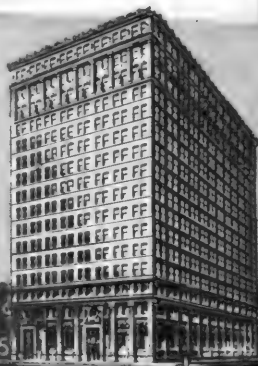
Today this 90-year-old bank is the largest in the state and 26th in size among the 15,000 banks throughout the country . . . long outstanding as Milwaukee depository for more than 85 per cent of all the hundreds of banks in Wisconsin. And today all the services and facilities of this bank are pledged to one end: To help speed the victory of Freedom's forces!

BANKS AND BANKERS DIVISION

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RICHARD J. LAWLESS Assistant Vice-President

DONALD A. HARPER Assistant Vice-President



FIRST WISCONSIN NATIONAL BANK
of MILWAUKEE  Established 1853

MEMBER OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

JUST A MINUTE—Continued

"The picture representing the word 'inform,'" he writes, "is, I believe, an old-time printer's type form which, if true, seems to make sense."

Later we got this message from C. F. BOARDMAN of Chittenango, New York:

"Form" is correct. Any good dictionary gives one of the definitions of 'form' as a 'long seat or bench.'"

The rebus, found in an issue of *Gleaner's Pictorial Drawing-Room Companion* (1856), has long been popular with collectors and as a graphic booster for thrift.

Anyone Disagree?

"I AM sure," writes Cashier EARLE ROWLAND of The National Bank of South Carolina, Sumter, in commenting on the employment of women as bank tellers, "the public finds it a very pleasant change to deal with pretty girls."

Mr. ROWLAND's letter was in response to a request from BANKING for some ideas on manpower economy that might be helpful to other banks. He said that in his institution, the biggest saving had been in the bookkeeping department.

"In the last few years," he continued, "our deposits have increased about 300 per cent and we are now using the same number of posting machines and regular bookkeepers. This does not mean that the bookkeepers had nothing to do before the increase, but does mean that by adding a number of comparatively inexperienced clerks the bookkeepers have been relieved of practically all work except the actual posting of their ledgers. This also enables us to keep the posting machines in constant use."

JOHN L. COOLEY



History footnote: President Wilson and King Victor Emanuel photographed at Rome after World War I

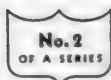


CUSHING
BANKING



Photographs by U. S. Army Air Force.

Beechcrafts at Work



The AT-11 Beechcraft two-engine Bombing Trainers, shown above, serve the Army and Navy by providing a means of training bombardiers and bombing pilots in actual bombing operations. They are provided with all of the bombing equipment carried by even the largest bombers, except that their bomb-bays are smaller and carry less weight.

The AT-11's combine high operating speed, long range, and excellent flight and landing characteristics. They thus permit high-speed bombing runs, by day and by night, at high altitudes and low altitudes, without the imposition of abnormal burden on the skill of their pilots.

The use of the AT-11's as specialized Bombing Trainers is only one of the many examples of how the Army and Navy are providing their future combat pilots and bombardiers with the finest training in the entire world.

Beech Aircraft

BEECHCRAFTS ARE DOING THEIR PART  CORPORATION
WICHITA, KANSAS, U. S. A.

THE OUTLOOK FROM WASHINGTON

HERBERT BRATTER

Washington, D. C.

Withholding tax

TREASURY receipts from the withholding tax are now recorded regularly in the Daily Statement. The new collection system appears to be launched with no more difficulty than warranted by the circumstances. Both the Treasury and the banks received numerous inquiries from business men and employees, evidencing the need for further public education on the withholding procedure. But this unfamiliarity is to be regarded as only a temporary phenomenon.

In wartime everyone is looking for ways to finish his work as quickly and efficiently as possible. Bankers are as hard pressed as anyone, and are naturally on the lookout for time savers. A possible economy, in connection with the withholding tax would be a reduction in the number of deposits made by employers. The regulations permit employers to deposit withheld taxes whenever they are ready. If employers were required, instead, to make such deposits not more frequently than once a month, the jobs of the commercial bank and of the Federal Reserve banks would be made easier. As it is, many employers deposit withheld taxes every pay-

day, which means four or five times a month, instead of once a month, with four or five times as much paper work for banks and the Federal Reserve institutions.

Another feature of the withholding tax regulations which might be changed with resultant saving of time and expense is the requirement that depositaries remit the tax money to the Federal Reserve banks whenever as much as \$5,000 has accumulated. Many banks find they have to make such remittances every day. Speaking only from the viewpoint of the commercial banks, and not necessarily from that of the Federal Reserve banks, if the frequency of such remittances could be reduced to once a week, the manpower problem of the banking system would tend to be eased. Possibly the \$5,000 figure might be left standing in the case of very small banks, while a larger figure is substituted for larger institutions.

The reason the \$5,000 limitation was set is that \$5,000 is the limit for FDIC insurance, although under an amendment to the regulations uninsured banks are now permitted to act as depositaries for withheld taxes. Probably if the Treasury permitted depositaries to hold more than \$5,000 in withheld-tax deposits, it would want the surplus above \$5,000

protected by insurance or collateral. From the Treasury's standpoint, such requirement would be justified, although from the banks' standpoint, this job of tax collector is one that was wished on them, not sought, and the cost should all be borne by the Treasury.

September tax returns

FOR an estimated 15,000,000 individuals, the existence of a withholding tax does not do away with the need to pay a tax instalment on September 15 and quarterly thereafter. Single persons with incomes exceeding \$2,700 per annum and married persons with incomes of more than \$3,500 plus allowance for dependents are in this category. As has been widely reported in the press, such persons must file Form 1040-ES, giving an estimate of their full current year's income, and accompany it with payment of the quarterly instalment. For the assistance of persons whose taxable income does not exceed \$10,000, the Treasury has prepared an instruction form and work sheet with a table showing the tax on graduated amounts of income. For those whose incomes are greater than \$10,000, or who desire to make a more meticulous estimate, the

(CONTINUED ON PAGE 14)

Millions of income taxpayers must file this form by September 15

Form 1040-ES Treasury Department Bureau of Internal Revenue		UNITED STATES Declaration of Estimated Income and Victory Tax by Individuals FOR CALENDAR YEAR 1943 or fiscal year beginning _____, 1943, and ending _____, 1944 (See accompanying INSTRUCTIONS)	
1. Estimated Income and Victory Tax for 1943 <small>NOTE.—Enter (a) the tax liability on estimated 1943 income, or (b) the amount of tax shown on the 1942 income tax return, whichever is greater.</small>		\$	(Cashier's Stamp)
2. Estimated Income and Victory Tax withheld during entire year		\$	
3. ESTIMATED TAX after deducting estimated tax withheld (item 1 minus item 2)		\$	
4. Total payments to collector during 1943 for 1942 Income Tax		\$	
5. Unpaid balance of estimated tax (item 3 minus item 4)		\$	
6. Amount paid with this declaration (not less than one-half of item 5)		\$	
Social Security Number, if any _____		I/we declare, under the penalties of perjury, that this declaration has been examined by me/us, and to the best of my/our knowledge and belief is a true, correct, and complete declaration, made in good faith, for the taxable year stated, pursuant to the Internal Revenue Code and the regulations issued under authority thereof.	
PRINT NAME AND ADDRESS PLAINLY		(Signature of taxpayer or agent) _____ (Date) _____	
(Name) (Use given names of both husband and wife, if this is a joint declaration)			
(Street and number, or rural route)			
(City or town)	(State)		
(OVER)	10-35075-1	(If this is a joint declaration (not made by agent), it must be signed by both husband and wife)	

- **New Laws and Amendments.**
- **Rulings and Regulations.**
- **Court Decisions.**
- **New Forms and Reports.**
- **Other Developments.**

**CCH
STATE
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ALWAYS UP
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Ewing Galloway

• For *your* state, for *all* states—an individual loose leaf Service for each State in the Union provides full, continuing information about its taxes, arranged by topics behind tab guides.

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Write for Details

COMMERCE CLEARING HOUSE, INC.
LOOSE LEAF SERVICE DIVISION OF THE CORPORATION TRUST COMPANY

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FINANCING WAR PRODUCTION

Located in America's armament center, this bank is especially equipped to deal with financial problems arising from war production.

Pledged, as we are, to do all in our power to further the prosecution of the war, we have set up a War Loan Division, experienced in the analysis of war contracts and familiar with the requirements of the armed services and other governmental agencies.

We offer our services not only to local companies in need of war production loans but also to our correspondents throughout the country whose transactions with Detroit war industries can be expedited by our special and direct attention to their needs.

NATIONAL BANK OF DETROIT

Complete Banking and Trust Service

DETROIT, MICHIGAN

THE NEW YORK TRUST COMPANY

Capital Funds . \$45,000,000



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BUY
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Member of the Federal Deposit Insurance Corporation

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Under the Old Republic Plan
insurance on personal loans
gives economical protection
to both lender and borrower.

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OLD REPUBLIC
CREDIT LIFE
INSURANCE
COMPANY
★

*The largest independent
company exclusively insuring
the lives of borrowers*

309 W. Jackson

Chicago

OUTLOOK—Continued



"Henry's been sleeping up there for the past week. He's planning to go to Washington for a few days"

Treasury has prepared a sheet of "alternative instructions for declaration of estimated income," etc. This contains a detailed "Taxpayer's Work Sheet."

Tax law simplification

WELCOME news for income taxpayers is the announcement in August that the Treasury is studying the possibility of revising tax laws to simplify administration and reduce taxpayers' paper work. It is planned to make the results of the study available to Congress in the form of recommendations at some future date.

The Treasury has also inaugurated an extensive study of the Federal estate and gift taxes. Recent developments in this field have produced "a very confusing situation insofar as the application of the taxes in specific cases is concerned and the relation of these taxes to each other and to the income tax." This confusion makes it difficult for taxpayers to plan their affairs and for the Government effectively to administer the taxes. For the benefit of both taxpayers and the Government, a reexamination of these taxes was necessary.

The Treasury announcement followed by a few days a report of the Tax Foundation that there is brewing a taxpayers revolt "against the foolish and needless reporting, computing and other paper work involved" in the pay-as-you-go tax.

Congress

SOON Congress will be tackling the question of finding additional tax revenue, although it has evidenced no hopefulness about raising the extra \$1,000,-

BANKING

000,000 a month the Treasury wants. First, however, the Ways and Means Committee will work out new renegotiation legislation, after studying the Treasury's proposals on this matter. It might be assumed that revenue legislation should come ahead of renegotiation, but in Washington it is felt that the September War Loan drive should be impeded as little as possible by talk of new or increased taxes.

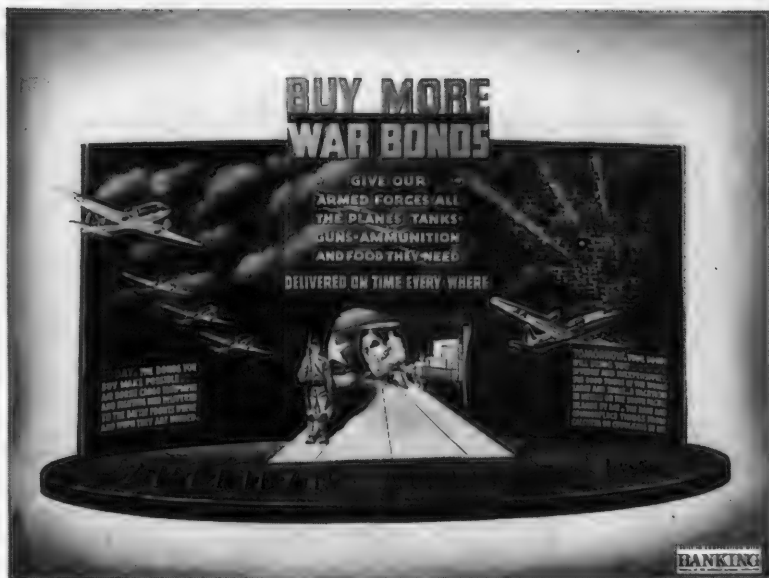
In the 14 months ended June 30 renegotiation of war contracts by the War and Navy departments and United States Maritime Commission resulted in commitments for the elimination of \$3,555,174,000 of "excessive profits." On the date mentioned, out of 14,682 cases assigned, 3,611 had been disposed of.

WITH excessive profits on war contracts well under control, not much of the additional tax revenue desired can be obtained from corporations. The corporate normal and surtax combined may be raised from 40 per cent to 45 per cent or 50 per cent. There is much talk about a Federal sales tax or compulsory saving—perhaps both. These the Treasury has long opposed. Instead it still recommends a spendings tax, which Congress has forcefully rejected.

An "excess profits tax" for individuals is a rumored possibility, or at any rate heavier individual income tax rates in the middle and lower brackets. We usually talk about taxes as though some taxes are paid by individuals and others not. Actually, all taxes are paid by individuals directly or indirectly. Even an inanimate corporation is just a group of individuals.

Any income tax legislation enacted this year will not be retroactive, but will apply to next year's income, commencing January 1. Enactment of further revenue legislation in 1944, an election year, is deemed extremely unlikely.

ANOTHER subject that will ask for congressional consideration soon is international currency stabilization along the lines worked out by the Treasury in its technical discussions with representatives of foreign countries. This is only one of many highly important post-war policy problems on which the Summer's good war news has tended to stimulate thinking. The chances are that many of the post-war questions which need the decision of Congress—e.g., disposal of surpluses and government plants—will not be decided until Congress sees that the war has ended, and just how it has ended. We are in fact engaged in two



Send coupon for colorful

FREE DISPLAY

that will help you sell more WAR BONDS.

HERE's a colorful display that American Airlines has designed expressly for use in banks. An excellent traffic-stopper, it will step up your sale of War Bonds, encourage people to save and draw more of them into your bank.

It contains American's famous "Air Map," shows transport planes as they look on war missions overseas and provides interesting information, not only about the wartime air transport accomplishments made possible by War Bond purchases, but also about some of the postwar air-benefits that Bond buyers will enjoy.

As a patriotic service, American Airlines will send you this display free of charge. The only requirement is that you pay a nominal express charge and after 7 days send the display to another prearranged bank nearby.

Please act now to get this display. Write or send coupon below to American Airlines.

American Airlines, Inc.
100 East 42 Street
New York 17, N. Y.

Gentlemen: We would like to receive your free War Bond Display for banks. We agree to pay charges for shipment to our bank.

Bank Name

Address

City State

By Title

Size of Display: Height 33" Width 58" Depth 16"

WAR-TIME TRAVELERS CAN'T LOSE THEIR MONEY



**IF THEY CARRY
AMERICAN
EXPRESS
TRAVELERS
CHEQUES**

A veritable army of travelers is on the move—visitors to army camps and naval bases, businessmen, inductees and uniformed men and women in the armed forces.

Banks are increasingly suggesting to their traveling clients the importance of changing their easily lost or stolen cash into safe American Express Travelers Cheques. Many of these people have never carried Travelers Cheques before. Others perhaps have not been educated to the use of Travelers Cheques. To these, as well as to the young men and women in our Army and Navy, it would be considered a friendly act of kindness to bring to their attention the important, protective features of Travelers Cheques.

AMERICAN EXPRESS TRAVELERS CHEQUES

separate wars. The war with Japan, while affected by events in Europe, is still a separate war.

A question which Congress can handle now, before next year's elections, is the matter of dismissal pay for the demobilized men and women now in the armed forces.

Legislation this year on contract termination is possible.

Amos Taylor

THE new director of the Bureau of Foreign and Domestic Commerce, Dr. Amos E. Taylor, is known to many bankers as the former chief of the Bureau's Finance Division, now merged into the International Economics Unit.



HARRIS & EWING

Mr. Taylor

Formerly assistant professor of finance at the University of Pennsylvania and Northwestern University, Dr. Taylor is perhaps best known as the author of several Commerce Department surveys of the United States balance of international payments.

Post-war controls

IT is noteworthy that the President's "informal conference on post-war readjustment of civilian and military personnel," like many private observers, views as essential during the demobilization period a continuance of controls over materials and prices. Sudden relaxation thereof, the conference states, could easily disrupt the process of conversion and the resumption of peacetime industry. It is a safe bet that wartime credit controls like Regulation W also will be continued during the post-war reconversion period, when the danger of inflation will be greatest.

(CONTINUED ON PAGE 18)

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THE BANK CHECK

This advertisement which appeared in *Banking* over 6 years ago—May 1937—is reproduced without change because it is more timely than ever.

—Spear Head

OF BANK MERCHANDISING

PRESENT day bank merchandising is more direct in its technique than in the past. Instead of inviting the deposit of funds from the mass population for resale to the smaller select "buying market," consisting of not more than twenty percent of the depositors, it embraces the sale of *full banking facilities* to the *mass population* itself.

Since the bank check is the principal connecting link between the individual and his bank, it naturally follows that *sound, profitable* "no-minimum-balance" checking accounts should be the first service offered to people of good character in the mass market. The activity which accompanies the use of the checking system provides contacts which make it possible for the bank to enlarge its sphere of influence in the community, and successfully carry on its full merchandising program.

If the space and mechanical facilities of the bank lend themselves to the handling of small accounts,

then a study of the potential market represented by the people in the lower income brackets, living within its normal trade area, will perhaps reveal the existence of a large number who are eager to secure, and willing to pay for, the benefits of a good banking connection.

Nowhere in the world do people issue "personal currency" with the same assurance as they do in this country. Nowhere else does there exist such a perfect banking structure. The task of selling the mass market on its advantages concerns itself only with the question—how soon—how vigorously?

De Luxe personalized bank checks bring many advantages to a bank and its customers—and assist materially in customer relation contacts.

We'll be glad to send you without obligation, folders and statement enclosures being used by banks to interest customers in personalized checks. Address the De Luxe office nearest you.

DE LUXE CHECK PRINTERS, INC.

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Plants at

CHICAGO

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KANSAS CITY

NEW YORK

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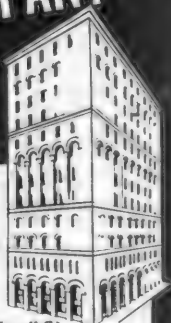
War headlines
prove the value
of good banking
contacts in Iowa,
center of U. S.
food-production.

BANKERS TRUST COMPANY

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OUTLOOK—Continued

The war production lag

OUR rate of war production seems to be close to maturity, if we accept the declining rate of growth evidenced since March. In that month the percentage gain over the preceding month was 9 per cent; in April, 6 per cent; in May, zero; and in June, 2 per cent. Chairman Donald M. Nelson of WPB announces that, while production is still increasing, the rate of climb has lessened. The slackening is attributable in part to complacency inspired by the recent good news from the battle fronts, and in part to manpower factors, such as the movement of workers from job to job.

The Commerce Department does not regard the recent leveling off in production as permanent, attributing it in large part to shifts in manufacturing process and schedules necessitated by changes in types of the war materials required. According to the Survey of Current Business, "the plateau on which industrial production has moved virtually sidewise for five months beginning with February is well below the peak level representing the full capacity output of our wartime economy and below the level required for the peak of the war effort."

Subsidized credit

DURING the next 12 months Congress is unlikely to accomplish very much not connected with the war effort. However, there are signs that it will give close attention in the remaining months of 1943 to non-essential expenditures and subsidies. (CONTINUED ON PAGE 20)

At the Quebec conference of the Allied high command—President Roosevelt and the Earl of Athlone, Governor-General of Canada, seated; Canadian Premier King and British Prime Minister Churchill, standing



PRESS ASSOCIATION



In boom or depression
... in Peace or War ...
always at the forefront
of Banking Service in
Baltimore since 1894

MARYLAND TRUST COMPANY BALTIMORE

HEYWARD E. BOYCE, President

Member Federal Reserve System and
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PROTECTION



A NECESSITY IN WAR OR PEACE

War industries and vital distributive and transportation facilities must be protected against loss by fire and other property destroying hazards. Insure with strong companies.

MILLERS NATIONAL
Insurance Company

ILLINOIS FIRE
Insurance Company

HOME OFFICE CHICAGO



The Invisible Force that Helps Build Ships

Behind the American shipyards now astounding the world with their production records lies the story of materials.

Take manganese. Insufficiently produced in the United States, this "starch of steel" is vital in making plates for ships. Back before Pearl Harbor, a certain group of importers in the South saw the need coming. They decided to fill warehouses with it, but needed a bank loan to do the job on the scale

they had in mind. Their local bank, after loaning them its legal maximum, called in the Chase National Bank. A further loan was arranged, and tons of manganese were brought safely within American borders.

Today high-grade steel for ships and many other war needs *flows*, in part at least, because of the far-sightedness of this group of importers, aided by *banking*—the invisible force that helps make munitions.

THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK

Tennessee-
THE FIRST PUBLIC
POWER STATE
18 BILLION KWH ANNUAL CAPACITY

*An Important Message
to Manufacturers*
From PRENTICE COOPER
GOVERNOR OF TENNESSEE

Basic Advantages To Plant Locations In Tennessee

- ★ An unsurpassed variety of major industrial minerals and agricultural products and materials.
- ★ Huge coal reserves make possible economical steam-power generation.
- ★ An inexhaustible supply of industrially suitable water.
- ★ Inland waterway system of three great rivers for low-cost transportation to Midwest, Gulf, and World ports.
- ★ Central location permitting 24-hour delivery to more than 51% of the Nation's population.
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- ★ Ideal living conditions for both employer and employee.
- ★ Sound State tax structure. No personal earnings or sales taxes.
- ★ State and municipal governments friendly to industry.

Write for specific information and surveys relating to your particular requirements. Ask for illustrated booklet: "Tennessee—Land of Industrial Advantages."

Governor's Industrial Council, Department of Conservation
615 State Office Bldg. Nashville, (3) Tenn.

Investigate TENNESSEE

OUTLOOK—Continued

dized credit. The question of drafting fathers is another one clamoring for attention, while the President's proposal of mustering-out pay for veterans is giving rise to controversial discussion.

During the congressional recess, little news developed in Washington on the matter of subsidized credit.

On July 22 Chairman A. L. M. Wiggins of the A.B.A. Committee on Federal Legislation wrote to all member banks for their cooperation in the A.B.A.'s two major fights in the field of agricultural credit. Mr. Wiggins said:

"Most bankers know the facts about the operations of these agencies in their own states. It is highly important to know the facts before you talk to your Congressman. Give cases, illustrations, details. Tell him something about the job banking is doing in the war effort—selling bonds, making war loans, handling ration banking. Tell him some of the problems of banks, particularly of country banks.

"This is your task as a banker and as a citizen. Talk the matter over with a few other bankers, then make an appointment and call on your Representative and your Senators."

Many state bankers associations have passed resolutions against continuance of the Federal subsidy enjoyed by the PCA's and the RACC's. It is certainly not too much to expect that Congress will this year give serious consideration to the subject of subsidized credit.

Don't spindle card checks

WITH the now enormous volume of government checks going to dependents of the men in our armed forces, workers in government plants, and others, the Government has extended the use of the "tabulating card check." As delivered to the payees, these checks contain punched holes, which are essential both to their prompt issuance and to their subsequent handling after presentation to the Treasurer for payment. The Treasury is concerned over the effect on these checks of the rather widespread practice of spindling, as well as the habit of people to fold checks so that the paper may be more easily carried in pocket or wallet. Such treatment of the new-type checks will greatly interfere with their processing in the Treasury.

Since these checks have been adopted in the interest of the payees, as well as in the interest of economy, the Treasury has urgently requested all persons receiving or handling the new card checks

(CONTINUED ON PAGE 22)

THE MONEY

you won't have to pay

★ ★ ★



Four Harvester plants have been awarded the Army-Navy "E" for excellence. Two of these have also earned the White Star.

EVERYBODY KNOWS about the war output of America's industries. The guns and tanks in Africa, the bombers over Bremen, the warships roving the Pacific are there for all to see—and for our enemies to feel.

But there is another product of in-



dustry that can't be seen, though you will feel its effect in your pocketbook. The engineers and production men call it stepping up efficiency. Most other people would call it "savings."

Savings are what you get when you put experienced, competent production men on a new manufacturing job. Not at first, of course. Those first guns and shells and airplanes are expensive. But as the job runs on, the sav-



ings start to come. An engineer designs a new tool to reduce spoilage and increase output. A foreman relocates machines to save 2 cents on each piece in handling. An employee gets an idea and submits a suggestion for better production to his Labor-Management Production Drive Committee. All this, while the quality of

work is maintained or improved, for quality always comes first.

Small things? Yes. But when you put together thousands of improvements in manufacturing, you get a saving to make anybody blink.

Consider the savings already made possible on three of the many war jobs the Harvester Company is doing—a 20-mm. aircraft cannon, an anti-tank gun carriage, and the Oerlikon anti-aircraft gun mount.

The price of the Oerlikon gun mount has been cut almost in half. The price of the anti-tank gun carriage has been reduced one-third. The original price of the 20-mm. cannon



would almost buy two cannon now.

On those three jobs alone, the reductions in price our Company has made to the government—which means to you who pay the government's bills—amount to more than \$16,000,000. That is the difference between the original price and the price today. That is the savings, the money you will not have to pay.

These price reductions were voluntary. They stemmed from a pledge, made officially by this Company, that we would handle all war work at no more than a moderate profit, and that we would give the government the benefit of manufacturing savings by voluntarily reducing prices whenever possible. That pledge was made before

there was any law regulating profits or prices on war production.

Further savings will be made on these jobs. And savings will be made on thousands of other jobs in the enormous war production program of American industry.

This program of making savings in



production will go on because it is the very root of our industrial system. American industry has grown great because it has devoted itself to reducing costs, improving the quality, and increasing production. The process has given Americans better radios, and more of them. Better breakfast foods. Better soap. Better tractors and motor trucks and guns. And more of them. For less money. Those results flow inevitably from an industrial system which gives free play to the



ideas and the energy of millions of alert individuals.

The ability to improve, and to save at the same time, has benefited all Americans in the past. It pays rich dividends to America and our allies today. It holds the best and brightest promise for a secure future.

**BUY WAR BONDS...
SAVE AND SERVE AMERICA**

INTERNATIONAL HARVESTER COMPANY

Builders of Ordnance, Automotive and Food Production Equipment for the United Nations

50 YEARS OF PROTECTION



Planters
NUT AND CHOCOLATE COMPANY
MANUFACTURING NUT CONFECTIONERS

Mr. J. F. McFadden, President,
American Credit Indemnity Company
of New York,
Baltimore, Maryland

Dear Mr. McFadden:

In any firm, a 50th Anniversary is a remarkable achievement but, because American Credit is an insurance company, your 50th Anniversary assumes added significance.

American Credit is now an "old insurance company" . . . and insurance companies become "old" only by honorable service . . . by excellent reputation in the business community. Our own 18 years of relationship is testimony of our confidence in both the financial strength and character of your Company.

While offering my congratulations, I should also like to extend my best wishes for the continued success of American Credit in the years ahead.

Very truly yours,

PLANTERS NUT & CHOCOLATE CO.

MP:MLP
M. Peruzzi

50th Year
**AMERICAN
CREDIT INDEMNITY
COMPANY**
OF NEW YORK
1893 1943

J. F. McFadden,
PRESIDENT
FIRST NATIONAL BANK BLDG
Baltimore

"Guarantees Payment of Accounts Receivable"

OUTLOOK—Continued

to avoid punching holes in them, spindling, pinning, folding, or creasing.

The Treasury pointed out that the card checks are sorted through automatic electrical accounting machines which are actuated by electrical contacts through the punched holes appearing in the checks. The highly sensitive accounting machines are liable to jam or cause incorrect distribution if even a stray pinpoint is made in the surface of the check. One crease or wrinkle can clog a machine during a lengthy operation and require tedious manual sorting and rechecking.

Card check sorting and tabulating equipment employed at the Federal Reserve banks and the Office of the Treasurer of the United States, where the checks are paid, process the checks from perforations made at the time of issuing. If a check has been spindled, pinned, or stapled, the tabulating machine registers the hole made by mutilation as well as the properly punched holes, thus introducing an error.

Folding or creasing thickens the edges and causes clogging, while folding also shortens the check appreciably so as to disturb the alignment of the holes and thus causes the machine to make erroneous recordings.

It is intended to increase greatly the use of card checks for various classes of disbursements as rapidly as arrangements can be made and equipment procured.

Government surplus goods

WHEN Congress reconvenes, the Senate Committee on Expenditures in the Executive Departments will have before it (CONTINUED ON PAGE 106)

Chester Bowles has taken the job of general manager of the OPA



HARRIS & EWING
BANKING

Reading the Post-war Signs

This bibliography of some books and pamphlets relating to post-war planning was prepared for BANKING by the library of the American Bankers Association.

ANDERSON, B. M. *Postwar Stabilization of Foreign Exchange*; the Keynes-Morgenthau plan condemned; outline of a fundamental solution. The economic bulletin of the Capital Research Company, Los Angeles. An indictment of the Keynes and White plans.

BEVERIDGE, SIR WILLIAM. *Social Insurance and Allied Services*; report. New York, Macmillan Company. 209 pp. \$1.00. A post-war plan for social insurance in Great Britain against interruption and destruction of earning power and for special expenditures arising at birth, marriage or death which, it is claimed, will prevent want from the cradle to the grave.

BRITISH INFORMATION SERVICES. *International Clearing Unions*. New York, Author, 1943. 23 pp. Gratis. The so-called "Keynes Plan" which calls for a clearing union from which countries in temporary need of funds to finance international trade would borrow, and in which countries with a favorable balance of payments would accumulate credits. Transactions between nations would be in terms of a new currency called "bancor," its value fixed, but not unalterably so, in terms of gold and accepted as the equivalent of gold.

COREY, LEWIS. *Unfinished Task: Economic Reconstruction For Democracy*. New York, Viking Press. 314 pp. \$3.00. Suggests the construction of a new economic world in which small business

may be revived and monopolies converted into a public corporation administered jointly by labor, government and management.

CHAMBER OF COMMERCE OF THE UNITED STATES. *Postwar Readjustments*. Washington, 1943. Gratis. Bulletin No. 1: Why Plan For the Post-War Period? Bulletin No. 2: Is Post-war Collapse Inevitable? Bulletin No. 3: Some Unfavorable Factors. Bulletin No. 4: Maladjustments in the post-war.

CHASE, STUART. *Goals for America*. New York, Twentieth Century Fund, Inc. 134 pp. \$1.00. Sets forth the demands being made by the American people for a better world after the war.

CHASE, STUART. *The Road We Are Traveling, 1914-1942*. New York, Twentieth Century Fund, Inc. 106 pp. \$1.00. The first of a series of explanatory reports on post-war problems, this book reviews and interprets the economic trends that have influenced American life in the past 25 years and states some of the post-war problems America will face.

CLARK, EVANS, ed. *Wartime Facts and Postwar Problems*. New York, Twentieth Century Fund, Inc. 136 pp. 50 cents. Gives the background facts and describes the outstanding issues to be met in international relations, industry and business, transportation, finance, agriculture, labor, public works and urban redevelopment, housing, health, education, and economic security.

COMMISSION TO STUDY THE ORGANIZATION OF PEACE. *The United Nations and the Organization of Peace*. New

York, Author. 36 pp. Gratis. This report urges the establishment of a more systematic organization of the United Nations and suggests that the main function of such a body would be the task of planning for the future both in the reconstruction period and in the establishment of a permanent world order.

COMMITTEE FOR ECONOMIC DEVELOPMENT. *Case Studies*. Washington, Author. Gratis. Case study No. 1: How one company has planned for its post-war business opportunities. Case study No. 2: Business planning now for V day. Case study No. 3: Post-war planning program of Tennessee enamel manufacturing company.

COMMITTEE FOR ECONOMIC DEVELOPMENT. *Preparing For High Levels of Employment and Productivity*. Handbook for employers. Washington, Author. 24 pp. Gratis. Tells a company how to proceed with post-war planning.

CONDLIFFE, J. B. *Agenda For a Post-war World*. New York, W. W. Norton, Inc. 232 pp. \$2.50. Shows the need for international cooperative planning if peace and prosperity are to be achieved.

CORBETT, P. E. *Post-war Worlds*. New York, Institute of Pacific Relations. 211 pp. \$2.00. One of the few studies on post-war organization to relate the problems of the Far East to those of Europe, America, and the Soviet Union.

DREHER, CARL. *The Coming Show-down*. Boston, Little, Brown. 419 pp. \$3.00. A successful businessman explains what has happened to our business system since the early nineteenth century, (CONTINUED ON PAGE 114)

BANKING Jingle

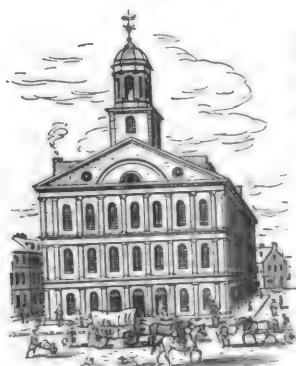
H. T. Elmo



The Keystone of FREEDOM

THE American system is a triumph of individual initiative and private enterprise. It has provided economic freedom and a democratic form of Government. These two have gone hand in hand and will rise or perish together. ★ ★ Freedom of enterprise is the keystone of all freedoms.

Free enterprise provides opportunity for the fullest expression of the human spirit and individuality. Without it, the Atlantic Charter Four Freedoms and all other freedoms would disappear virtually overnight. For the inescapable alternative to individual enterprise is collectivism, the very nature of which destroys all freedoms in its demand that the people submit to control by an all-powerful State. ★ ★ The greatest menace to a progressive civilization is the extension of the paternalistic spirit of government, which has been greatly intensified during the past decade. ★ ★ When a government plays the part of Santa Claus to its people, the impression is given that the money comes from some mysterious source, like manna from heaven. But the hard facts are that government creates no wealth or income. It distributes money that it has collected from the taxpayers or from the sale of its securities, which, in turn, constitute a mortgage on future income.



The Cradle of Liberty
FANEUIL HALL, BOSTON

Paradoxical as it may seem, the more a government borrows from the people, the greater control it has over their destiny. ★ ★ Every special favor asked of the government for protection against the vicissitudes of life — whether it be by labor, farmers, business men, bankers, or professional groups — imperils the liberty of all the people. With government aid goes government control. Unless this is checked there grows up a Frankenstein bureaucracy that saps the vitality of the country and leads the people into bondage. ★ ★ Collectivism or state socialism follows in general a prescribed pattern. The State becomes supreme, with the individual completely submerged. If such a system were to be forced upon our country, the Constitution and the Bill of Rights, which guarantee individuals protection against Government abuses, would be scrapped. To maintain its authority, the State would control all avenues of thought and expression. ★ ★ Teachers would be forced under oath to champion the new order "ideology," all books on freedom would be burned, and the prescribed propaganda would supplant the search for truth. ★ ★ The church would be under attack, religion ridiculed, and freedom of worship forbidden. ★ ★ The home could be invaded under the slightest pretext. Children would become wards of the State. ★ ★ The press would be muzzled and the news would largely contain a monotonous recital of the activities of the State and its high officials. ★ ★ Freedom of speech and assembly would not be tolerated, and all policies would be formulated by the leader and his clique, subject to no public criticism. ★ ★ Labor questions would be decided with neither the employee nor the employer having any voice in the settlement.

In return for the surrender of individual freedom, the State would provide employment and subsistence of a sort. But all would be compelled to accept the tasks assigned, and there would not be the opportunity for advancement that has prevailed in this country for each succeeding generation. There would be no tomorrow, for the chains would have been forged

ED OM



and the power of resistance crushed. ★ ★ This, then, is the price freemen must pay when they barter their independence for Government bread. ★ ★ The danger is not that the American people would deliberately submit to being shackled for the sake of Government bread, but rather that a large part of our population may be deluded into believing that the Government can guarantee them security and an abundant life without working for it.

When a country has swung to the extreme of state socialism, there is only one direction in which it can turn in order to survive, and that is back toward the principles underlying private enterprise. Russia found this to be true, and, after having gone the whole distance of communism in a period of two decades, again headed toward the principles of private capitalism.

The lamp of liberty is burning low today. ★ ★ The eyes of the world are turned to the United States for leadership. In dedicating our lives and treasure to mankind for the Four Freedoms of the Atlantic Charter we should be determined to preserve our liberties at home, for it would be a futile gesture to carry the torch unless our liberties are secure within our own borders. ★ ★ As we enter upon the crucial phase of this global war, let us be mindful that our generation will "nobly save, or meanly lose, the last best hope of earth."



Condensed from an article in our "NEW ENGLAND LETTER." Reprints of the full text of the article are available upon request.



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BANKING

AFTER a complete victory over the bandit nations, which we must and will achieve, an enlightened public opinion will be needed to secure a just and lasting peace. It is the duty of the bankers to study and inform themselves on these subjects, and to lend their influence to the adoption of sound international policies, so that we may make the world again a fit place in which to live.—W. L. HEMINGWAY, President, American Bankers Association.



NOW All Together

HENRY MORGENTHAU, JR.

Secretary of the Treasury

Second War Loan, representatives of banks in some parts of the country checked every single one of their customers. In some places, the staff of the bank became, for the period of the Second War Loan, a working sales crew for War Bonds, among the people they know best—their own customers and clients. And the results sometimes were little short of brilliant.

During the coming War Loan Drive, we are going to need all the help we had in the previous drive, and considerably more. The job is bigger, the going may be tougher.

On all battle fronts, our armed forces are on the offensive. The hour of invasion has struck, and, as the President said in his Third War Loan Proclamation: "Our need for money now is greater than ever, and will continue to grow until the very day that Victory is won; so we must ask far more sacrifice, far more cooperation than ever before."

With the help of banking executives and personnel, I am sure we can convince the American people that every victory abroad increases our obligation to "Back the Attack." And because bank personnel and executives have the ability to do this job so well, they also have an obligation to do it—for in total war, everyone must do whatever he can, whatever he is fitted to do, to help steer us to the common goal.

Finally, I want to express my deep appreciation, and the deep appreciation of the Government for the considerable contributions you of the banking fraternity have already made in the sale of War Bonds.

Henry Morgenthau, Jr.

ON September 9, we will undertake the greatest financing job in all history. We are setting out to get \$15 billion during the Third War Loan.

This \$15 billion is exclusive of money from commercial banks—it is \$15 billion that must come directly or indirectly from the American people. The size of the job ahead can only be judged when one realizes that in order to reach our goal, we will have to place at least one extra hundred-dollar bond in the hands of every working man and woman. And to do this, we will have to talk to all these people at least once—seek them out where they live, and where they work. We will have to sell and keep selling, without stopping, for the duration of the Third War Loan.

In getting this job done we must again depend heavily upon the American banking fraternity as we have in the past. They have already shown what they can do. In the

A Job for Five Million Workers

IF World War I is a pattern, the advent of victory should be followed by an even greater money-raising campaign. This month's drive, none the less, is the greatest such effort in history. That "effort" is no understatement is indicated by the fact that there will be about 5,000,000 volunteer workers. Some 27,000,000 wage earners in offices, stores and factories will be personally interviewed. Each of the volunteer workers, moreover, will himself be asked to buy an extra bond.

The "basket" this month includes:

1. Series E savings bonds
2. Series F and G savings bonds
3. Series C tax savings notes
4. 2½ per cent bonds of 1964-69
5. 2 per cent bonds of 1951-53
6. ⅞ per cent certificates of indebtedness

THE 2½ per cent bonds will be dated September 15, 1943, due December 15, 1969, callable December 15, 1964, and will be issued in coupon or registered form at the option of the buyers, in denominations from \$500 to \$1,000,000. Commercial banks will not be permitted to own these bonds until September 15, 1953.

The 2 per cent bonds will be dated September 15, 1943, due September 15, 1953, callable September 15, 1951, and will be issued in coupon or registered form at the option of the buyers, in denominations from \$500 to \$1,000,000.

The ⅞ per cent certificates of indebtedness will be dated September 15, 1943, due September 1, 1944, and will be issued in denominations of \$1,000 to \$1,000,000, and in coupon form only. Shortly after the drive terminates, a 2 per cent bond and a ⅞ per cent certificate of indebtedness will be offered for subscription by commercial banks for their own account. In order to confine all sales in the drive to non-banking sources, the Treasury requests commercial banks not to buy in the market, and asks the market not to trade in either of the two securities offered in the drive until the books for bank subscriptions are closed. To avoid unnecessary transfers of funds from one locality to another, the Treasury would prefer to have all subscriptions by corporations and firms entered and paid for through the banking institutions where the funds are located.

From only a fraction of a billion dollars in 1940, monthly war expenditures have now reached more than \$7 billions. In 1942-43 Federal expenditure, excluding debt retirement and trust funds, was approximately \$80 billions, and this fiscal year will be nearly \$106 billions, the President reports.

Periodic war loan drives were inaugurated

in December 1942 with the Victory Fund drive, which sought to raise \$9 billions, and actually raised \$13 billions. Of that sum, \$5 billions came from commercial banks. The Second War Loan drive in April 1943, raised about \$18 billions, or \$5 billions above the goal. Commercial banks again were restricted to \$5 billions.

The formation in 1942 of the Victory Fund committees in each Federal Reserve District was designed to supplement the War Savings Staff's efforts to reach investors with surplus funds. The present month's drive is under the direction of a new war finance setup along state lines, the War Finance committees.

Since the rate of war production appears to be approaching a ceiling, barring price inflation, the same should be true of government spending. That means continued large-scale deficits. There is not much prospect of greatly reducing borrowings by increased taxation. According to congressional tax spokesmen, not much more than \$5 or \$6 billions of additional tax revenue per annum is likely to be voted by this Congress. Hence the Treasury must look forward to continued periodic loan drives.

From mid-1939 through 1942 commercial bank deposits increased about \$70 billions and currency in circulation about \$14 billions. This process is continuing. These accumulated savings have post-war inflationary potentialities. This is true also of savings bonds and other government securities, which can be "realized" at any time. Although the Administration is opposed to "compulsory lending" or saving, the latter has in its favor one important consideration: the post-war cashing and spending of compulsory savings of individuals would be subject to control.



U. S. government buying bonds from war workers to help transport men into the Pacific



"It's Surprising

Introducing a bank panel discussion on how banks have been able to give more service in spite of a manpower handicap: William C. Adamson, vice-president, First National Bank, Atlanta, Georgia; George J. Heath, cashier, Bank of Montclair, Montclair, New Jersey; Frank P. Powers, president, Kanabec State Bank, Mora, Minnesota; Harold C. Main, secretary and treasurer, The Black Rock Bank & Trust Company, Bridgeport, Connecticut; Charles H. Hewitt, vice-president, The Detroit Bank, Detroit, Michigan; Odell O. Rogers, comptroller, The First National Bank of Shreveport, Shreveport, Louisiana.

satisfied with the comparatively small wage increases we are permitted to make. Competition with war industry wages is simply impossible to meet and we try to show that lower wages in banking are offset by better working conditions, more opportunities for advancement and continuity of employment



Mr. Main!

"We believe in having several people familiar with each job and have tried to rotate our employees . . ."

WITH practically every bank doing its utmost in direct war effort by selling War Bonds and Stamps and handling ration accounts, it seems unnecessary to comment on personnel problems arising thereby. There are, however, other forms of bank activity

which as a result of present conditions have greatly increased the volume of work.

In our particular situation, the great influx of factory war workers has increased personnel requirements in every department. Our resources increased from three million to six million from June 30, 1941 to June 30, 1943. Even our loan department, despite somewhat decreased volume, has required at least as many man-hours of work as formerly due to Regulation W and other restrictions.

Two years ago our bank employed 12 men and six women. We now have seven men and 14 women. Our turnover was greatest during 1942 when several key employees left and replacements were found unreliable or incompetent. We finally found some very satisfactory help and this year our turnover has been normal.

Our principal training effort aside from personal instructions from officers and older employees has been to urge all our people to take American Institute of Banking courses. Those who came in too late to join regular classes have been given textbooks to read. We have obtained our replacements from several sources including business schools and employment agencies, but I think the most satisfactory results have been from recommendations of our own employees. We believe in having several people familiar with each job and have tried to rotate our employees as much as possible. Each is able to replace one other worker so that during vacation period or absences, the important posts can be filled continually. We have always impressed upon our employees the advisability of being prepared to step into the next higher position.

The most difficult problem at present is to keep help

Mr. Adamson!

"... a slight decrease in the total number of employees . . ."

WE BEGAN preparing for a possible change in the manpower situation two or three years before this country became involved in the war. Our first step was to increase the proportion of women employees

and to train them in work previously done by men. This was coupled with continuous redesigning and simplifying of methods, the elimination of certain operations, such as presentation of drafts and return checks in the downtown area by messengers, continuous analysis of profitable accounts, and other changes, some of which may be limited to the duration of the war.

When war was declared, 56 per cent of our staff of 367 employees were women as compared to 76 per cent today. There has been a slight decrease in the total number of employees in spite of a turnover which reached 49 per cent last year, an increase in the volume of checks handled and the addition of eight War Savings Bond tellers and nine employees in our ration department.

While we obtain some replacements from business firms, school teachers, and housewives, the majority are still obtained from high schools and colleges. We employ a number of high school girls during the year after school hours on an hourly basis as trainees, with the understanding that they enter our employ upon graduation. We have also employed several young boys for the Summer to work in our mail room; they will work only in the afternoons upon their return to school.

We found it necessary to discontinue placing beginners in certain departments and now place them in all departments, keeping a few more than is normally required in training in view of the high rate of turnover. They receive direct training in the work they will be expected to do. In addition, they are required to attend a training class of about 12 lessons of one hour each. These classes are conducted from a manual of operations and periodic tests are made to determine their progress.

Thirty-four of our 54 paying and receiving teller windows are now manned by women, and women are doing

What A Bank Can Do"

many jobs which were formerly done by men, such as general bookkeeper, accrual clerks, reconciliation clerks, credit analysis clerks.

Capable department managers are the keys to orienting and training new employees and to the carrying out of a progressive personnel policy. We have found women employees very satisfactory on every job we have used them. They are coming into their own, and this factor should be taken into consideration in any post-war planning. The number of desirable applicants is considerably fewer and it was found expedient to increase age limits, with pleasing results. While many difficult problems confront banks, they are not insurmountable if the proper emphasis and effort are given.



Mr. Heath!

"... an extra clerk or two saves overtime and you have replacements to move into positions ..."

WHEN the smaller bank loses an experienced employee, it must replace him with an employee of like experience or take one with no bank training and try to break in the individual properly. By preparing for the drafting of the male employees before the experience of trying to replace them actually occurs, the smaller institutions can carry on. Our experience has been that an extra clerk or two, while increasing the overhead, saves a great deal of overtime and you have replacements to move into more responsible positions when needed.

In the case of our bank, 63 per cent of our personnel, excluding officers and maintenance men, are women, compared with 37 per cent two years ago. The chance of this percentage increasing over the near time future is comparatively certain and we are doing our best to break in women to replace men called, or likely to be called, into service.

We have also found that the way to get the best results in breaking in new help is to obtain inexperienced help, starting them at the bottom of the ladder, with the exception of the stenographic department.

Our replacements over the past years have all been local high school graduates. One of the main difficulties encountered in obtaining the proper kind of help from this source seems to be the fact that all of the war plants as well as the government agencies located in this vicinity send speakers to the local high schools to address the graduating classes. The salary competition is something we cannot meet, but better hours and working conditions we can meet.

The duty of training these new employees has been left entirely to our chief clerk. One of his big problems is to get them away from the "I don't care" attitude. The essentials of accuracy and neatness, and the necessity of asking questions on any matter that has not yet become routine to them, is vital.

THE average high school graduate looking for a position is not concerned whether the job has a direct bearing on the war effort, although we have tried to point that out to them. Their main interest is in having something to do and obtain some spending money.

In order to tell the general public and the bank's employees that some of the bank's activity has a direct connection with the war effort, we have had published news articles in the local papers regarding the number of Series E, F & G bonds sold, as well as the total subscriptions handled for the various Victory Loans.

It appears that the bankers in general (and I am not excluding ours) have been loath to advertise the fact that they have cooperated with the war effort by selling War Bonds with absolutely no compensation and taking on a considerable expense. In addition to the selling of War Bonds the banks are cooperating 100 per cent in the ration banking program and although they receive some compensation for this, the time and employees necessary to handle this part of the banking picture are of far greater expense than that which banks receive for the operation. Our experience has been that the ration banking program today just about covers the cost of the stationery purchased to operate these accounts.

In addition to this item, we are now asked to receive deposits of withholding taxes from various employers and issue receipts against them. In a bank of any size at all, a \$5,000 balance of withholding tax will accumulate so rapidly that it will require a transfer to Federal Reserve practically every day in the week.



Mr. Hewitt!

"We attract new candidates and hold the greater part of our experienced personnel in spite of high salaries offered by competing war industries ..."

How has Detroit's war effort affected our routine banking? Statistics on activity do not always carry great appeal; however, when considered in terms of people, they grow in meaning and importance. In April of this year, a staff 9.8 per cent greater than before the war handled our increased work volume; in some types of activity,

such as the cashing of checks and the handling of items deposited, the volume has increased as much as 24 per cent since the beginning of the war. Increases in these types of activity can be directly related to the expansion of war production in this area.

The increase in the volume of work when compared with the increase in size of the staff is particularly significant considering the number of inexperienced people who are employed as replacements for experienced personnel.

To fulfill our needs, female high school students and women who desired to supplement family income by again entering the business world, were employed. As a result of this program we now have a personnel composed of 53 per cent female as compared with 33 per cent two years ago.

WITH the assistance of a highly competent training school (described in detail in "Personnel Administration in War Time Banking," published by the American Bankers Association), inexperienced people were trained in the fundamentals of distribution, bookkeeping, and teller work. Through the use of various tests, including basic arithmetic, and a close examination of personal qualifications, candidates were selected. No great selection of part-time high school students has been made. However, with the new program of our board of education of excusing seniors at noon who have part-time jobs, it may be advisable and necessary to look more to this source in the future.

We are able to attract new candidates and hold the greater portion of our experienced personnel in spite of high salaries offered by competing war industries because of a number of factors, among which are:

- (1) A program of salary surveys by position classifications and comparisons with salaries paid by comparable businesses;
- (2) Periodic review of individuals' salaries and merit increases within approved ranges;
- (3) Time and one-half compensation to "non-exempt" employees for overtime; substantial compensation to "exempt" employees, except officers, for overtime;
- (4) A stressing of the permanency of employment beyond the present emergency;
- (5) Neighborhood employment in branch offices (our overburdened transportation system makes this particularly attractive);
- (6) Healthful working conditions and in pleasant surroundings with people of like social and financial status.

WE of the Detroit Bank are proud of our contribution to the war effort and believe that bank work is of an essential nature. We believe that our employees and the public should be told just how essential bank services are to the war effort. To inform them properly, this bank is sponsoring a radio program featuring a noted news commentator. Facts of interest pertaining to the part banks play in the war effort are commented upon. It is our belief that the only way that banking functions will be accepted by the public in their true essential nature is for the banks to take the initiative in educating the public to their true worth.



Mr. Powers!

... an employee meeting at least once each month ... to acquaint new employees with practices ... to secure constructive suggestions and criticisms

OUR BANK is a typical country institution which had deposits of \$300,000 in 1931 and of \$1,739,000 on June 30, 1943. We are the only bank situated in a county seat town whose population is 1,700, and we have 16 employees. There are four men officers, five tellers, three stenographers, three bookkeepers and a utility teller and bookkeeper. One officer, stenographer and a book-

keeper devote their full time to the operation of our insurance department.

Since May 1, 1942 we have sold almost \$500,000 of government bonds. One employee devotes practically full time to this work. We qualified at the outset to handle ration banking and this work requires considerable time. Our president is chairman of the Kanabec County War Bond Committee, chairman of the Kanabec County Red Cross War Fund and a member of the executive committee of the Minnesota War Finance Committee. We have devoted considerable effort to the payroll deduction plan in connection with the sale of bonds and have a very substantial number of these accounts.

Since April 1, 1942 eight of our men employees have entered the Army or Navy and during that period three girls have left our employ to get married. We have replaced this help principally by hiring high school graduates and employees of other institutions who were looking for a change. None of our employees have left us to enter defense work.

Two years ago we had 11 men and five girls; today we have five men employees and 11 women employees. Our chief problem in training new workers, particularly those who have not had previous banking experience, is to acquaint them thoroughly with their responsibilities and teach them how important public relations are in all our dealings with our customers.

The fact that money is so plentiful and incomes are greatly increased apparently has resulted in the public becoming more independent in its dealings. This, of course, is also largely due to the fact that in a farming community such as ours, we now have a host of governmental agencies offering to loan money at a low rate of interest on easy terms.

We aim to have an employee meeting at least once each month, at which time we discuss problems that arise from day to day and memoranda are inserted in a question box for this purpose by the employees. At these meetings it is possible to acquaint new employees with practices we have followed for many years and also provide an opportunity to secure constructive suggestions and criticisms from everyone.

We find that the best method of training new employees is to have them "get into the harness" alongside one of our older employees.



Mr. Rogers!

"... our volume far exceeds the pre-war level—38 of our men have gone into the service and their jobs are being most capably handled by intelligent, conscientious girls ..."

TODAY bankers discuss personnel problems along with all other employers, but strictly speaking the whole idea is rather new to bankers; certainly it is new to us here at "Louisiana's Oldest Bank" although we are a fair-sized bank (total resources \$58,000,000), in a fair-sized city (population 110,000). It was always quite an occasion when there was an addition to the family—at least it always was until our country was forced into this global war which has precipitated innumerable changes due to the demands of the armed forces and to the tremendous manpower necessary to furnish our fighting men with food, clothing, and modern fighting equipment, to say nothing of material and supplies furnished our allies.

Two years ago 26.5 per cent of our employees were women—today the men have "gone to war" and 63.8 per cent of our employees are women!!!

There are many things that are in favor of banks and regardless of the shortage of desirable office employees, we have been most fortunate in being able to select our girls from a large number of applicants—as a matter of fact, we have so many applications for employment from girls of good caliber that we have been able, not only to keep an excellent force for ourselves, but have been assisting many of our customers and friends in securing desirable employees to replace their men that go into the service.

IT is our policy to interview every applicant and to make enough of an investigation to determine if we would be willing to employ the applicant if we were in need of one with her qualifications; if the decision is favorable the young lady is either employed or her application is placed in our "approved file" and we make every effort to assist her in finding satisfactory employment. This adds a great deal to the duties of the personnel officer but we think that it is entirely worth while and our customers are most appreciative as are the applicants.

With 38 men in the armed service we had quite a replacement problem for an institution of our size. In addition to this problem, however, there have been many other complications; banks have taken over numerous war jobs which have necessitated adding new employees. Three employees are required to handle our War Bond sales, three more for ration banking, and now the handling of "withheld taxes" will add to the duties of the force. Our business has increased tremendously and more employees are necessary to handle the increase in volume.

The question naturally arises, "Where do all the new employees come from?" We are impressed with the ability of the young high school graduates that have been

employed as "runners" and have then been advanced through the clerical departments as they have learned the jobs assigned to them. In order that we may be sure that we have jobs for all of our men in the service when the war is over, all new employees since Pearl Harbor have signed a statement to the effect that they have accepted the job for the duration, subject to release after the war. We have employed many young married women whose husbands are in the service and who were not working before. There have been a number of instances where our customers' business has been adversely affected by the war and the employer has released some of his best employees—we have employed a number of such persons, particularly some connected with automobile financing firms and of course, others with various types of concerns whose business has been curtailed. Many employees who have worked at jobs that they disliked have found an opportunity to secure what they consider more desirable employment.

I BELIEVE that banks generally are very highly regarded as employers in every respect except, of course, that salaries do not compare with those offered by some governmental agencies and some war industries. We anticipated that perhaps a fair percentage of our personnel would be offered higher paying jobs and that they would accept positions where they would make more money, at least for the time being. I am happy to say that although many of our employees have been offered such jobs very few of them have accepted.

It is our policy to contact an individual's present employer before offering her a job and to "put the cards on the table." It has not been necessary for us to solicit employees, since as stated, we have always had a large number of applications on hand. When one who is already employed places an application with us we discuss the matter most frankly with the individual and with her employer before offering her a position, and all other employers have likewise shown us this courtesy. We do not try to discourage anyone in our bank from accepting a job elsewhere; if they feel that they can improve themselves we are agreeable, but so far there has been no problem in this connection.

Shreveport is not listed as a critical area and certainly we have not had anything like the problem that banks in other areas have.

EVERYTHING is fine in Louisiana—we are doing our best to further the war effort in every respect—our volume of business far exceeds the pre-war level—38 of our men have gone into the service and their jobs are being most capably handled by a group of intelligent, conscientious girls who have come through with "flying colors." Our congratulations to the women of America who are "carrying on" in such a commendable manner while their husbands, brothers and sweethearts are doing such a good job in fighting to a finish a war that was forced upon us by those who surely underestimated the ability of the Allies. When the peace is won and our good men return to their chosen professions, we will forever be grateful to the women of America who have taken over for the duration and have proved their ability to meet any emergency!



OFFICIAL U. S. NAVY PHOTO

Naval Hospital banking facility in San Diego operated by Bank of America, above, is one of about 10 Navy and 150 Army branch banks set up by various banking institutions throughout the United States



Recording ration coupons in the ration coupon banking section of Wachovia Bank and Trust Company, above; a \$1,100,000 war production payroll deposit at First National Bank, Port Niches, Texas, below



WOMEN

One chain store's daily ration coupon deposit at National City Bank of Cleveland

Brief observations on training women for bank work by five women who have had experience with the problems involved: Helen Jackson, of Wachovia Bank and Trust Company, Winston-Salem and chairman, National Women's Committee, American Institute of Banking; Kathryn C. O'Connor, Putnam & Company, Hartford; Marjorie C. Foley, Personnel Relations Department, Bank of America, San Francisco; Helen L. Hicks, National Bank of Detroit; and Marion G. Rehfsuss, Corn Exchange National Bank and Trust Company, Philadelphia and associate councilman, American Institute of Banking.

MANIFESTLY those women who have assumed bank positions formerly handled by men are doing a commendable job. There is nothing amazing about this—unless, perhaps, it be the fact that so many people should be amazed.

Regardless of what type position she holds, every bank employee is contributing in a large measure to that epidemical, tangible spirit that we call the war effort. Thus she owes it to herself, to her bank, and to her flag to give foremost consideration to the fulfillment of her job to the best of her ability.

No woman in any other business or profession has the same privilege of instruction that the bank woman has in the unique educational facilities of the American Institute of Banking. More than a privilege, it is part of her wartime responsibility to acquire a fuller knowledge of banking. Why not gain this knowledge the sound way—the A.I.B. way?—*Helen Jackson*

WOMEN are now competently filling positions which never before were available to them. Many are performing duties and assuming responsibilities, after only a short intensive preparation, that, under normal conditions, would have required long periods of training and actual experience. All this, under the stress of wartime needs and the accelerated pace to which all phases of industry have been subjected.

Much has been said and printed in praise of the man-

BANKING

IN THE PLANT

The war has placed upon the banks the greatest responsibilities in the history of chartered banking in the United States. Many wartime banking services are being performed by banks in an efficient and highly creditable manner in the face of an acute manpower situation which has necessitated the hiring, training and up-grading of thousands of women workers. Upward of 60 different bank jobs are now being held by women. The magnitude of the civilian jobs being filled by women in banks is partially told with pictures on these pages.

ner in which these women have risen to the challenge which has been put to them. However, the proof of this commendation will be the stability which will attach itself to her position in banking when this emergency has ended, and the speed with which she will advance to positions of even greater importance.

A natural aptitude for bank work, an intelligent application and loyalty to her duties, an honest earnestness to do a really fine job, and constant training with the American Institute of Banking through its incomparable, especially designed courses for bank employees, is the bank woman's insurance for the future security of the position she has gained in the financial world.—*Kathryn C. O'Connor*

WITH branches in more than 300 California communities, the training of our new women employees has been a challenge to us. While training schools are maintained in San Francisco and Los Angeles, most of the training has been done "on-the-job" and has proved very successful.

Time does not permit us to give an intensive course and experience has shown us that the on-the-job training is proving to be most beneficial. We have found that the Job Instructor Training program is adaptable to bank work and we are giving this training to as many of our branch operations officers as possible. It has proved to be a most effective aid in giving on-the-job instruction.

Many new employees have supplemented their training with A.I.B. courses, and this, too, has proved very helpful, for it enables them to avail themselves of theoretical information which we cannot give because of our increased responsibilities.—*Marjorie C. Foley*

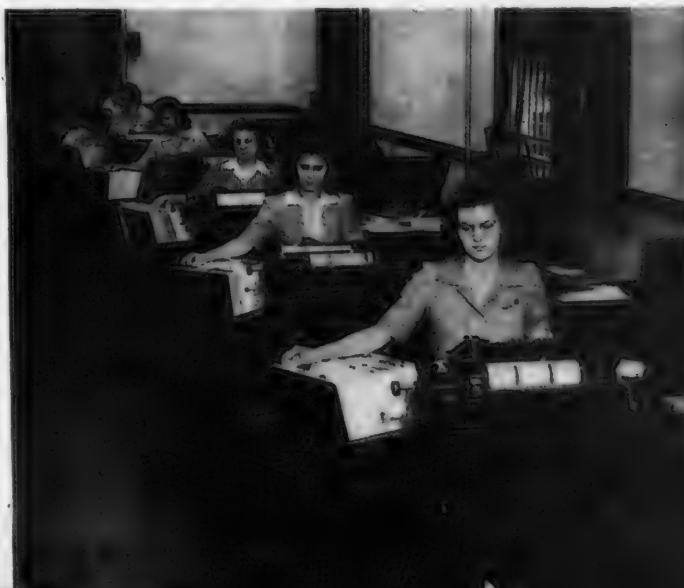
THE problem in the larger bank is to make the employee feel at home, to feel part of the organization, not just "one in a crowd." We all like our own home town best because we know the names of the streets and the names of the people. So it is with the new employee after she becomes well acquainted with her fellow-



More than 97,000 bank officers and employees were active in the Treasury's Second War Loan drive. Forty workers in National Bank of Detroit's War Bond division, above, process 250,000 bonds monthly



Back stage in Government Securities Department at First National Bank, St. Louis, above; Fort Wayne National Bank's bookkeeping department, below, except for manager is entirely manned by women



WOMEN IN THE PLANT

workers and begins to feel at home. The greatest turnover is among those who have been with the bank less than a year, so it appears that the question is how to keep them that year.

It is my opinion that the approach should be through those few remaining older employees. We should educate them to treat each new employee as he would like to be treated if he were that person. I have noticed a tendency on the part of these employees to look down upon the youngsters instead of realizing that they are just as intelligent, just as apt, as they themselves were when they sought their first job.—*Helen L. Hicks*

*T*HE training program in operation in our bank is characterized by intelligent planning, fair play, and opportunity for advancement.

High school graduates are hired as trainees for a three months' probationary period. Those hired to learn our system of bookkeeping and the operation of a bookkeeping machine enter what we call our "Vestibule School." Here most of the day is spent training on a definite ledger under the guidance of a teacher. However, the trainee spends part of each day in the regular bookkeeping department. The mortality is about 50 per cent.

IBM operators are hired on a similar basis although we do not conduct a regular school. Each new employee is trained on the job by an experienced operator.

As soon as the trainees are assigned to a ledger or a desk, they are given small salary increases. The training time varies according to ability.

All training for other positions is done on the job. The personnel department tries to see that everyone has competent instruction and follows the progress of all trainees by departmental rating sheets. Transfers are frequently made among new employees until they are placed where they are happiest and do their best work.—*Marion G. Rehfsuss*

Women tellers serve systematic savers at Home Savings Bank, Boston, below



With transportation rationed, many important banking transactions are handled by telephone. Operator at First National Bank, Palm Beach



Henriette J. Fuchs, trust officer, Underwriters Trust Company, New York, above, one of hundreds of women executives helping man the banks; War Bond booth at National Bank of Commerce, Norfolk, below



A Clinic for Job Instructors

THE first Job Instructor Training Institute to be sponsored by the American Institute of Banking was held in New York on August 2-6, with 10 representatives from seven large eastern chapters receiving the training. Arthur Woodard, of the Training-Within-Industry Section of the War Manpower Commission, was the instructor.

The Job Instructor Training Institute idea has been used by the War Manpower Commission during the past two years in war plants employing six million people, enabling some of the plants to reduce employee training time as much as 90 per cent. The average reduction has been approximately 50 per cent.

Under the Job Institute program, participants receive 32 hours of intensive training. After completion of the course, these trained instructors will offer, under the auspices of their local chapters, 10-hour courses to men and women in supervisory jobs, who are selected by the banks as suitable candidates to train new and upgraded workers.

In offering the Job Institute to the first group of chapters, National Educational Director William A. Irwin described the course thus:

"Teaching of the course in a chapter will require no mechanical equipment or special facilities. It can be taught in an ordinary classroom with the students seated at a large table. The program is composed of a series of methods of teaching beginners their particular jobs (regardless of the nature of those jobs) quickly and thoroughly. The methods taught are as applicable to the training of a new bookkeeper as they are to the training

of a new block clerk. It should be emphasized that the course does not concern itself with the relative merits of any bank's system of handling its work. . . ."

THE chapter representatives receiving instruction at the New York Job Institute were: *New York Chapter*—Leroy S. Clark, assistant treasurer, Midland Trust Company, and J. Stanley Brown, personnel director, Chemical Bank and Trust Company; *Philadelphia*—Mark Kirchgasser, The Pennsylvania Company, and John P. Adams, Girard Trust Company; *Boston*—James E. Potts, assistant vice-president, First National Bank of Boston, and Joseph Donovan, assistant vice-president, National Rockland Bank of Boston; *Rochester*—Arthur Weston, assistant secretary, Lincoln-Alliance Bank and Trust Company; *Buffalo*—C. Edward Berryman, Marine Trust Company; *Washington*—Ralph Endicott, assistant treasurer, Washington Loan and Trust Company; *Albany*—Hollis E. Harrington, assistant vice-president, State Bank of Albany. Dr. Irwin, representing the national office of the A.I.B., and Herbert W. Trecartin, educational secretary, New York Chapter, were ex officio members of the class. William Powers, director of the A.B.A. Customer and Personnel Relations Department, actively assisted the A.I.B. in setting up the Job Institute program.

A second Job Institute was scheduled for Chicago on August 30-September 3. Chapters sending representatives were: Chicago, Minneapolis, St. Paul, Milwaukee, Detroit, Cleveland, Columbus, Pittsburgh and Toledo.

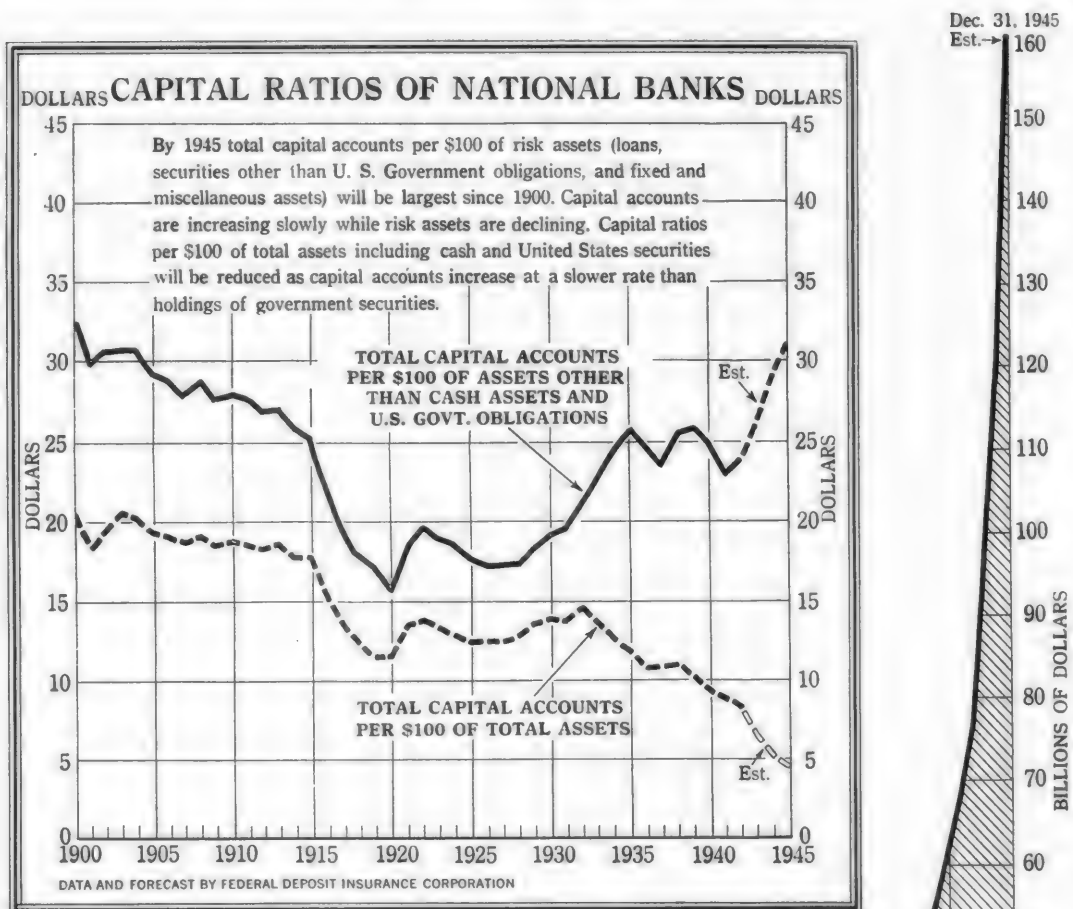


A CLOSE-UP: Above, left, Messrs. Potts, Donovan, Endicott, Harrington, Weston, Adams and Kirchgasser; right, student Potts showing Educational Director Irwin how to tie a fire underwriters knot

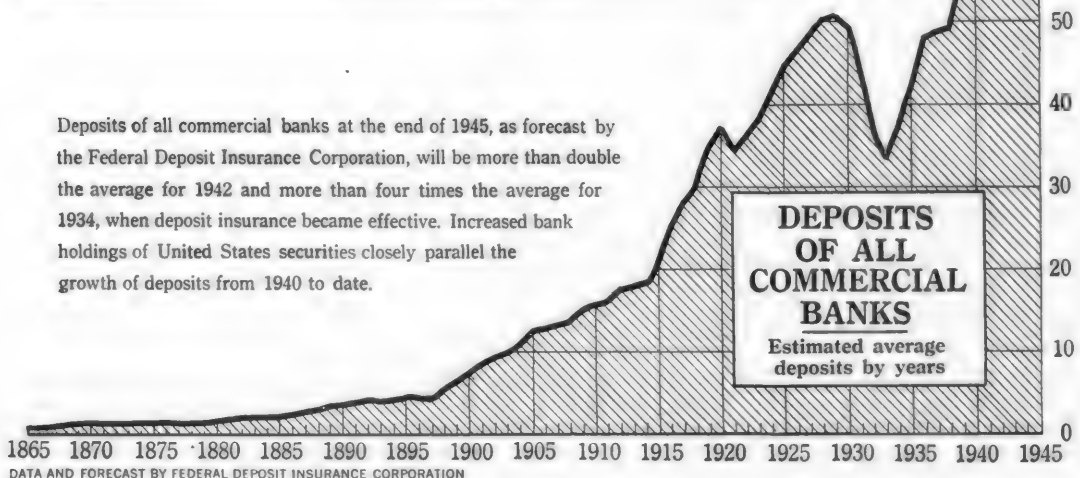
★
INSTITUTE IN SESSION: Below, left, clockwise around table, Messrs. Brown, Clark, Berryman, Potts, Donovan, Endicott, Harrington, Johnson (WMC representative standing), Weston, Adams, Kirchgasser, Irwin, Trecartin and Woodard; below, right, Messrs. Powers, Trecartin, Harrington and Woodard



A Glance at

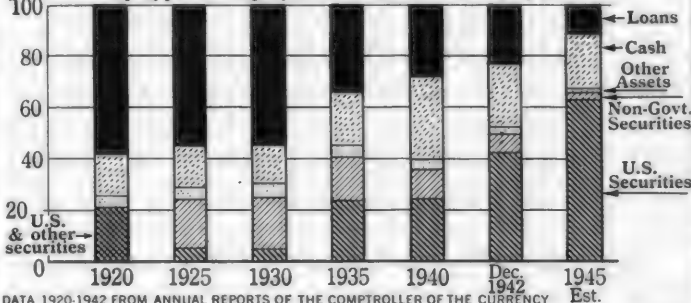


Deposits of all commercial banks at the end of 1945, as forecast by the Federal Deposit Insurance Corporation, will be more than double the average for 1942 and more than four times the average for 1934, when deposit insurance became effective. Increased bank holdings of United States securities closely parallel the growth of deposits from 1940 to date.



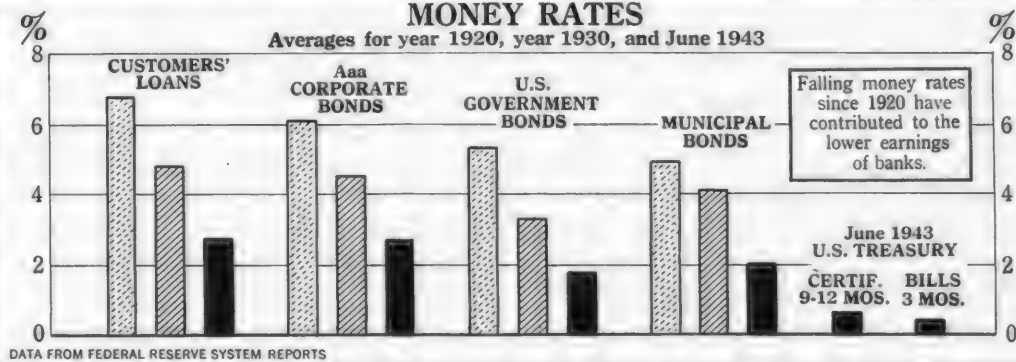
the Road Map

ASSETS OF ALL BANKS IN THE U. S. By type of employment - June 30 of each year

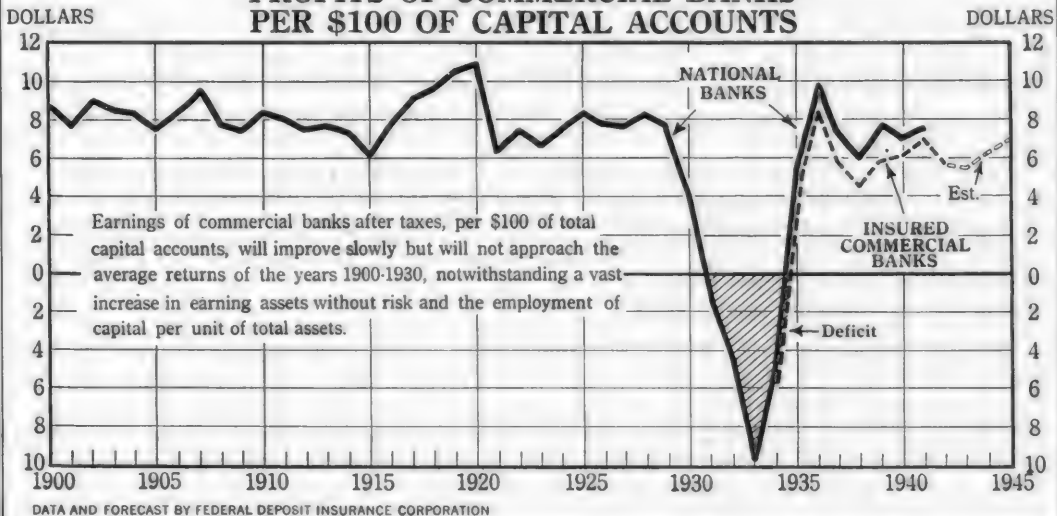


MONEY RATES

Averages for year 1920, year 1930, and June 1943



PROFITS OF COMMERCIAL BANKS PER \$100 OF CAPITAL ACCOUNTS



Sparklers for Speakers

THE great French essayist, Montaigne, once said: "I quote others only the better to express myself."

The famous British Prime Minister Disraeli also asserted: "The wisdom of the wise and the experience of ages may be preserved by quotation." Quotations from the Bible, from literature, from plays and other sources often represent the most unusual, thoughtful and classical expressions great thinkers have made on significant subjects. Jeremy Taylor called them "little sparks of holy fire."

Quotations may be humorous or serious. They may be expressions of droll wit or profound wisdom. Almost every speech will have a place in it for at least one quotation. But quotations are also of equal value in enriching conversation.

A banker who was speaking at a convention on the great importance of advocating individual thrift, in these times of tremendous national expenditures and deficits, quoted for emphasis the journalist who said: "Too often we live beyond our means to impress people who live beyond their means to impress us!" He also quoted another writer on personal thrift who had declared: "Too many people have the idea that thrift means you work hard, save your money and when you are old you can have the things only the young can enjoy." The convention of bankers liked those pertinent quotations relating to the serious subject of thrift.

Whether you speak before a great convention like that of the American Bankers Association, or merely engage in conversation with a friend, the occasional use of appropriate, authoritative quotations enriches speech and conversation.

Next month we shall discuss the use of statistics—a tool of speech that may be either deadly or delightful . . . meanwhile, a few stories and epigrams.



IN a gay mood, a man telephoned a friend at two o'clock in the morning. "I do hope I haven't disturbed you," he said cheerily.

"Oh, no," the friend replied. "I had to get up to answer the telephone anyway."

You can say this for democracy: When the people aren't sure of what they want, they vote for something different from what they have.

In the future the world will need guns of smaller and men of larger caliber.

Taxation without representation is bad, but it isn't necessarily Utopia with representation.

RASTUS borrowed \$35 from his friend Amos and gave a note for the amount. The note became long past due. One day Amos called on Rastus and demanded: "When you-all gwine pay dat note?"

"Ah ain't got no money now, but Ah gwine pay just as soon as Ah kin."

"Dat don't git me nothin'," retorted Amos. "If you-all don't pay me here an' now, Ah gwine burn up your old note; den where you-all gwine be at?"

"You better not! You better not!" shouted Rastus. "You just burn dat note of mine, and Ah'll burn you up wid a lawsuit."

Notice in Eastern newspaper: "Swim at the new community pool. With suits, 25 cents; without suits, 40 cents."



THREE men entered a tavern.

"Coke," said the first.

"Orangeade," said the second.

"Water," said the third. "I'm driving."

Eventually the world will have to choose between coming to peace or going to pieces.

Even the archaeologists demonstrate that you can't keep a good man down.

Someone wants to know where the population of the country is most dense. Well, one answer might be—from the neck up.

THE squad of recruits had been out to the rifle range for their first try at marksmanship. They knelt at 250 yards and fired. Not a hit. They moved up to 200 yards. Not a hit. They tried at 100 yards. Not a hit.

"Tenshun!" the sergeant drawled. "Fix bayonets! Charge! It's your only chance."

Someone asks: "Why can't the nations of Europe live as one big family?" The answer is, they do.

Apparently quite a number who went to the little red schoolhouse grew up to be pink professors.

CONVENTION speaker: "When I got up to speak, the delegates sat there open-mouthed."

His wife: "John, that couldn't be. So many persons wouldn't all yawn at once."

BANKING



BANKING NEWS



A.B.A. War Service Conference Program Ready

New York Timetable

Here is a condensed schedule of sessions for the A.B.A. War Service Meeting at the Waldorf-Astoria in New York:

Sunday, Sept. 12

Meetings of A.B.A. commissions, councils and committees

Monday Morning, Sept. 13

National Bank Division, Trust Division, State Secretaries Section

Monday Afternoon, Sept. 13

State Bank Division, Savings Division

Monday Evening, Sept. 13

Economics Panel Discussion

Tuesday Morning, Sept. 14

First General Session: "The Domestic Economy"

Tuesday Afternoon, Sept. 14

Second General Session: "Inter-American Fiscal Economy"

Wednesday Morning, Sept. 15

Third General Session: "International Fiscal Policy"

New York Meeting Sept. 13-15 Features

Discussions on International, Hemispheric and Domestic Issues by Prominent Speakers

Association Members to Elect Officers

International and inter-American fiscal policy, as well as war finance and the domestic economy, will be discussed at the War Service Meeting which is replacing the annual convention of the American Bankers Association in New York City, Sept. 13-15.

The program prepared for the meeting under President W. L. Hemingway's direction has been streamlined to fit the needs of these busy times. Designed to provide an opportunity for discussion

of the many war services banks are performing on the home front, it also covers important world and hemispheric economic and financial problems arising in connection with the war.

The sessions at the Waldorf-Astoria will occupy only two and a half days. Meetings of the Association's divisions are scheduled for Monday, Sept. 13, with general sessions of the Association's membership set for Tuesday morning and afternoon and Wednesday morning.

Commission council, and committee sessions, on Sept. 12, precede the meeting.

Officers of the State Bank, National Bank, and Trust Divisions, and of the State Secretaries Section, will be elected at the meetings of those groups.

(Continued on page 43)

A.B.A. Issues Pamphlet on Third War Loan

"\$15 Billion to Back the Attack—Facts Behind the Third War Loan," a 16-page booklet illustrated with charts, pictograms and graphs, and designed to show the need for greater individual participation in the Third War Loan than was enjoyed in the first two War Loan campaigns, has been prepared by the A.B.A. Committee on Treasury War Borrowing and sent to every bank.

It also points out why, inflationwise, it is undesirable for commercial banks to purchase government bonds.

The booklet gives a graphic picture of the country's financial background and quotes arguments in favor of War Bond investment.

A.B.A. Bulletin Sees Possible Farm Land Boom And Collapse Resulting from Present Price Rise

The rising trend of farm land prices is called to the attention of banks by a bulletin sent by the American Bankers Association to its membership. The bulletin points out that a possible post-war boom and collapse in farm land values may be developing.

The bulletin, which contains

comparative tables of agricultural production, farm prices, mortgage debt, real estate prices, livestock production and related statistical series, shows that in all of these categories except mortgage debt, the trend is upward and their pattern "follows too closely that of World War I."

NEW YORK—Left, the 42nd Street district; right, looking downtown from midtown



Bankers to Hear Prominent Speakers at A.B.A. War Service Conference

Divisional Meetings Being Held on Monday

Timely Subjects Will Be Discussed at Each

The morning and afternoon meetings Monday are given over to sessions of the Association's various divisions. The programs include talks and discussions on important present-day topics by prominent speakers, as well as the transaction of official business and the election of officers.

National Bank Division

Monday A. M., Sept. 13—"Some Current Aspects of Investments," Dr. Marcus Nadler, assistant director, Institute of International Finance, New York University.

"Local Employment of Funds," Clyde D. Harris, president, First National Bank, Cape Girardeau, Mo.

Trust Division

*Monday A. M., Sept. 13—*Greetings, F. W. Doty, vice-president and trust officer, Commercial National Bank and Trust Company, New York.

"Who Will Be the Trustee?" Louis A. Headley, vice-president, First Trust Company of Saint Paul State Bank, St. Paul, Minn., and Division president.

"Investments," Dr. O. M. W. Sprague, professor of banking, Harvard University.

State Secretaries

*Monday A. M., Sept. 13—*Executive session.

Savings Division

Monday P. M., Sept. 13—"Savings and Economic Security," Dr. Harold G. Moulton, president, The Brookings Institution, Washington, D. C. "The Wartime Savings Program of a Country Bank," R. N. Downie, president, Fidelity State Bank, Garden City, Kans.

"Making Savers of Prospective Home Owners," Charles

Sunday

Meetings of the A.B.A. commissions, councils and committees are scheduled for Sunday. The programs for the other sessions of the War Service Meeting, published on these pages of **BANKING**, are as complete as it was possible to make them at press time.

W. Green, Franklin Square (New York) National Bank.

Discussion, lead by Levi P. Smith, president, Burlington (Vt.) Savings Bank.

State Bank Division

Monday P. M., Sept. 13—"Small Banks After the War," W. W. McEachern, president, Union Trust Company, St. Petersburg, Fla.

"Competition of Government Credit Agencies," Claude F. Pack, president, Home State Bank, Kansas City, Kans.

"Small Loan Enabling Legislation," Richard W. Trefz, president, Beatrice (Neb.) State Bank.

Economics Panel

On Monday evening the delegates to the War Service Meeting will have an opportunity to attend a panel discussion on the subject "Needs of Private Enterprise for Private Capital." The list of experts who will participate had not been completed at the time **BANKING** went to press.

School Savings

A conference on school savings and schools at war will be held by the Committee on School Savings of the A.B.A. Savings Division on Wednesday afternoon, Sept. 15, following adjournment of the War Service Meeting's third general session. An open forum discussion of important questions will be a feature.

Domestic Economy Is Theme on Tuesday A. M.

Hemingway to Give Report as President

"The Domestic Economy" is the theme of the first general session, scheduled for Tuesday morning, Sept. 14.

Following the report of W. L. Hemingway as Association president, the delegates will hear a discussion of agricultural credit by C. W. Bailey, president of the First National Bank of Clarksville, Tenn.

Robert Strickland, president of The Trust Company of Georgia, Atlanta, is to present a report and critique on war financing.

Business of the Association will also be transacted.

Inter-American Fiscal Session Tuesday P. M.

Sr. Legoretta, Mexican B.A. Head, to Speak

For the Tuesday afternoon session the theme is "Inter-American Fiscal Policy."

Luis G. Legoretta, president of the Mexican Bankers Association, Joseph C. Rovensky, vice-president of the Chase National Bank, New York, and Sydney G. Robson, vice-president and general manager, Royal Bank of Canada, are the speakers.

Sr. Legoretta, who is general manager of Banco Nacional de Mexico, S. A., is repaying the visit President Hemingway made to the M.B.A. convention in Mexico last Spring.

Right, the twin towers of the Waldorf Astoria, A.B.A. meeting headquarters. Below, Brooklyn Bridge frames a view of lower Manhattan



Wednesday Session on World Fiscal Policy

New A.B.A. Officers to Be Installed Then

The third general session of the War Service meeting, on Wednesday morning, Sept. 15, will discuss international fiscal policy.

One of the speakers is Robert Henry Brand, chairman of the British Food Mission in the United States. The other is Dr. Henry Merritt Wriston, president of Brown University, Providence, R. I.

At this final session of the meeting the officers who are to serve the Association during the 1943-44 year will be installed and the resolutions committee will make its report.

Mr. Brand is a director of Lloyd's Bank, managing director of Lazard Brothers & Co.,

A.B.A. Conference Program

(Continued from page 41)

By resolution of the Executive Council, Association member banks have been requested to limit the number of delegates to one officer, in addition

and chairman of the board of the North British and Mercantile Insurance Company, Ltd. In 1917-18 he was deputy chairman of the British mission to Washington; in 1919, financial advisor to the chairman of the Supreme Economic Council of the Peace Conference; in 1920, vice-president of the International Financial Conference of the League of Nations, and a member of the committee to advise the German government on the stabilization of the mark. He also served on the Imperial Munitions Board of Canada during the last war.

to such other officers whose presence is necessitated by their membership on commissions, committees or councils of the Association.

Important business to come before the general meeting of the membership includes action of amendments to the constitution designed to facilitate the functioning of the Association during emergency periods. The principal changes would provide for the election of officers by the Executive Council if the annual convention has to be omitted at any time. Divisional officers would be chosen by mail under similar circumstances.

Another proposed change is the elimination of the second vice-presidency.

Bankers planning to attend the meeting are urged to arrange as soon as possible for their return reservations. There will be no special trains.

ODT Rules on Moving Silverware, Valuables

The 40 per cent cut in mileage of buses, trucks, taxis, etc., in the 17 eastern states ordered by the ODT on May 22, was applicable to armored cars until June 11, when the ODT modified its ruling by classifying the "transportation of currency and negotiable instruments" by armored cars and trucks as "A1 (very critical)" on its preferential list.

This concession raised the question as to whether silverware, objects of art, and other valuables could be transported by armored car while such vehicles are en route transporting currency and negotiable instruments and without consuming extra gas or rubber.

On representation by the A.B.A., the ODT on July 22 declared that while it considered such transportation as nonessential and not entitled to use extra gas and rubber, ODT would have no objection to the transportation of silverware, or other valuables, if they could be carried on a regular trip of the armored car in these states while transporting currency or negotiable instruments.

Deposit Insurance Committee Formed

The American Bankers Association has formed a Committee on Federal Deposit Insurance whose function will be the continuing study of the deposit insurance system.

The committee will be an adjunct of the Association's Committee on Federal Legislation. Members are: Claude E. Bennett, chairman, president, Tioga County Savings and Trust Company, Wellsboro, Pa.; E. J. Boyd, president, Second National Bank, Warren, O.; A. F. Cruse, president, Routt County National Bank, Steamboat Springs, Colo.; Preston B. Doty, president, First National Bank, Beaumont, Tex.; E. V. Krick, vice-president, American Trust Company, San Francisco; George L. Rice, president, Hardwick Bank and Trust Company, Dalton, Ga.; H. N. Thomson, vice-president, Farmers & Merchants State Bank, Presho, S. D.; Donald C. White, executive vice-president, First National Bank, Lewiston, Me.; Evans Woollen, Jr., president, Fletcher Trust Company, Indianapolis.

A.B.A. News Briefs

Wide interest has developed in the standardized form of bank money order approved by Bank Management Commission a few months ago, resulting in its adoption by a number of additional banks.

Wartime savings will be the theme of a Savings Division conference at the Parker House, Chicago, on Friday, Dec. 3. Roy R. Marquardt, vice-president, First National Bank of Chicago, is chairman of the Arrangements Committee.

Comments on General Order No. 31 concerning salary stabilization regulations issued by the National War Labor Board have been sent to state secretaries by the Customer and Personnel Relations Department.



Left, closeup of a famous lady. Below, Broad Street looking toward Wall and Nassau and the old Sub-Treasury, now a museum



War Loans Manual Is Published by A.B.A.

A comprehensive manual on war loans to industry has been prepared by the Bank Management Commission of the American Bankers Association.

The manual, which contains 152 pages of textual material, interpretations, digests of laws, contract and agreement forms, regulations, and related information, is a sequel to earlier publications of the commission issued in 1941 and 1942.

The book embraces not only the material in the commission's former bulletins, with subsequent changes and interpretations, but also extensive information in the fields of renegotiation and termination of government contracts. The latter fields are of constantly growing significance as the war progresses.

Special Committee

The material was assembled by a special committee of the Association, with the assistance of the A.B.A.'s National War Loans Committee. Members of the special committee are: David C. Barry, vice-president, Lincoln-Alliance

Bank & Trust Company, Rochester, New York; Hugh H. McGee, vice-president, Bankers Trust Company, New York City, and A. C. Simmonds, Jr., vice-president, Bank of New York, New York City. Subsequent to the work of these committees, the book's contents were edited and published by the Association's Bank Management Commission.

The manual consists of six chapters and an appendix, which in turn contains four chapters. The subjects covered by the six principal chapters are titled as follows: "Financing War Contracts," "Assignment of Claims Under Government Contracts," "Regulation V Guaranteed Loans," "Renegotiation of Government Contracts," "Termination of Contracts for Convenience of the Government," and "Regulation V Loan Agreements."

Among the more significant material discussed in the manual are the loan agreement forms which have been prepared for suggested use by banks which undertake Regulation V loans.



The Polo Grounds, home of the (this year) lowly Giants

A. B. A. Consumer Credit Group Holds Meeting

Several important questions were on the agenda of the Consumer Credit Council of the Association at its meeting in Chicago on August 11-12.

Consideration was given to a proposed nationwide installment collection system and to post-war planning for consumer credit development in banks.

A.B.A. Makes Surveys of State Legislation

Status of Association's Model Laws Is Sought

Two surveys are being made by the A.B.A. Committee on State Legislation that should prove useful to state committee members, legislative committees, and banks in general.

The first is a compilation showing the status in each state of the 39 model statutes recommended by the A.B.A.

The second survey seeks to determine the trend of state legislation affecting banks during the 1942-43 sessions of the legislatures, aside from measures approved by the A.B.A.

Mid-Continent Trust Conference

A mid-continent Wartime Trust Conference, under the auspices of the A.B.A. Trust Division, will be held in Chicago at the Drake Hotel, Oct. 14-15 according to Louis S. Headley, Division president.



Broadway in the dim-out is still Broadway, heart of the city's theatrical district

CONVENTIONS

Because of the war and special conditions prevailing at this time the dates of meetings are subject to change.

American Bankers Association

- Sept. 12-15 American Bankers Association, Wartime Conference, Waldorf-Astoria, New York City
- Oct. 14-15 Mid-Continent Wartime Trust Conference, Drake Hotel, Chicago, Illinois

State Associations

- Sept. 5-7 Iowa, Des Moines

Other Organizations

- Sept. 9-10 Savings Banks Association of Maine, Poland
- Sept. 11-12 Association of Bank Women, New York City
- Sept. 23-25 Mortgage Bankers Association, Chicago
- Sept. 24 Annual Meeting, National Association of Bank Auditors and Comptrollers, Detroit
- Oct. 12-13 Savings Banks Association, State of New York, Lake Placid Club, Lake Placid
- Oct. 19-21 Financial Advertisers Association, Hotel, Chicago

Hemingway and his TEAMWORKERS

*P*ROBABLY no American Bankers Association president has witnessed more momentous developments affecting the economy of the United States than has W. L. Hemingway during his tenure of office. These developments have called for watchfulness and decisive action by the Association leaders so that the banks might be protected, on the one hand, from strangulating competition from government agencies, and, on the other, be prepared at all times to give every needed service to the Government, the armed forces, and the public.

On these pages appear Mr. Hemingway and his teammates in the many A.B.A. offices.



President W. L. Hemingway
President, Mercantile-Commerce Bank and Trust Company
St. Louis, Missouri

Vice-president A. L. M. Wiggins
President, Bank of Hartsville
Hartsville, South Carolina

Treasurer W. E. Augustine
Vice-president, National Shawmut Bank
Boston, Massachusetts





LEONARD P. AYRES

FRANK R. BRILL



C. W. BAILEY



RAYMOND N. BALL



CHARLES P. BLINN, JR.

BACHRACH

Mr. Ayres is chairman, Research Council and vice-president, The Cleveland Trust Company

▲

Mr. Bailey is chairman, Food-for-Freedom Committee and president, First National Bank, Clarksville, Tennessee.

▲

Mr. Ball is chairman, Board of Regents, The Graduate School of Banking and president, Lincoln-Alliance Bank & Trust Company, Rochester, New York

▲

Mr. Blinn is chairman, Subcommittee on Section 5219 U. S. Revised Statutes

and executive vice-president, Philadelphia National Bank

▲

Mr. Bowman is president, State Secretaries Section and secretary, Kansas Bankers Association, Topeka

▲

Mr. Burgess is chairman, Economic Policy Commission and vice-chairman of board, The National City Bank of New York

▲

Mr. Cocke is chairman, Subcommittee on Taxation and president, First National Exchange Bank, Roanoke



FRED M. BOWMAN



W. RANDOLPH BURGESS



C. FRANCIS COCKE

FOSTER



DAVID L. COLBY

Mr. Colby is president, American Institute of Banking and assistant vice-president, The Boatmen's National Bank, St. Louis

▲

Mr. Cravens is chairman, Consumer Credit Council and vice-president, Mercantile-Commerce Bank and Trust Company, St. Louis

▲

Mr. Gladney is chairman, Insurance and Protective Committee and executive vice-president, Fidelity National Bank, Baton Rouge

▲

Mr. Hanes is chairman, Advisory Committee on Special Activities and presi-



KENTON R. CRAVENS

HALLE

dent, Wachovia Bank and Trust Company, Winston-Salem

▲

Mr. Headley is president, Trust Division and vice-president, First Trust Company of Saint Paul State Bank

▲

Mr. Heiser is chairman, Organization Committee and vice-president, Manufacturers Trust Company, New York City

▲

Mr. Kent is chairman, Commerce and Marine Commission and a director of Bankers Trust Company, New York City



WILLIAM B. GLADNEY

REMBRANDT



ROBERT M. HANES

HARRIS & EWING



FRED I. KENT

HARRIS & EWING



GEORGE W. HEISER

CHIDNOFF



LOUIS S. HEADLEY



FRANCIS MARION LAW

BOYE



WILBUR F. LAWSON

BACHRACH



HOMER J. LIVINGSTON



WILLIAM A. McDONNELL

Mr. Law is chairman, Board of Trustees of Educational Foundation in Economics and president, First National Bank, Houston

▲

Mr. Lawson is chairman, Ration Coupon Banking Committee and vice-president, First National Bank, Boston

▲

Mr. Livingston is chairman, Subcommittee on Bankruptcy and attorney, First National Bank, Chicago

▲

Mr. McDonnell is chairman, Bank Management Commission and execu-

tive vice-president, Commercial National Bank, Little Rock

▲

Mr. O'Neill is chairman, Subcommittee on Agricultural Credit and vice-president and trust officer, National Bank and Trust Company, Charlottesville

▲

Mr. Phillips is president, National Bank Division and vice-president, First National Bank, Louisville

▲

Mr. Powers is president, State Bank Division and president, Kanabec State Bank, Mora, Minnesota



CHARLES T. O'NEILL



S. A. PHILLIPS



FRANK P. POWERS

CONWAY



GWILYM A. PRICE

Mr. Price is chairman, Public Relations Council and president, Peoples-Pittsburgh Trust Company



Mr. Reichert is chairman, Subcommittee on Social Security and president, Ann Arbor Bank



Mr. Slocum is president, Savings Division and president, The United Savings Bank, Detroit



Mr. Thompson is chairman, Agricultural Commission and president, Na-



HARRIS & EWING

RUDOLPH E. REICHERT

tional Bank and Trust Company, Norwich, New York



Mr. Totton is chairman, Committee on Public Education and second vice-president, The Chase National Bank, New York City



Mr. Waller is chairman, Priorities Committee and vice-president and cashier, Hamilton National Bank, Washington



Mr. Withers is chairman, Committee on State Legislation and president, Lincoln National Bank, Newark



BACHRACH

W. W. SLOCUM



BLANK & STOLLER

OTIS A. THOMPSON



CARL K. WITHERS



HARRIS & EWING

WILMER J. WALLER



FRANK M. TOTTON

MARY B. LEACH

THE multiplicity of bank problems arising from the wartime economy makes impossible an exact chronology of American Bankers Association activities during the past year.

The scope of developments in the Washington area was, of course greatly enlarged, but all the A.B.A. departments were engaged in work closely related to the war job. A sample of continuing activities throughout the Association encompasses those connected with Federal and state legislation, including taxation; government competition, particularly in farm credit; War Loan financing; Regulation V developments; consumer credit regulations; war damage insurance; ration banking; control of foreign funds; withholding taxes; and manpower.

In the list of A.B.A. activities below, **BANKING** offers a sampling of the work that has been initiated or completed during the year by the Association and its large official family of bankers throughout the country:

Clinics, Conferences, Meetings

IN ADDITION to scores of meetings set up by state associations, civic and financial groups attended and/or addressed by Association officers, department heads and committee chairmen in all parts of the country, A.B.A. meetings during the year included the following:

- 11 War Manpower Clinics—in Boston, Cleveland, Chicago, Minneapolis, Kansas City, St. Louis, Dallas, Atlanta, Richmond, Philadelphia and New York
- 5 Real Estate Mortgage Clinics—in Boston, New Haven, Lewiston, Lansing and Newark
- 15 Membership Clinics—in Des Moines, St. Louis, Kansas City, St. Joseph, Chicago, Harrisburg, Indianapolis, Louisville, Charlotte, Richmond, Dallas, Wichita, Minneapolis, Wis., Minneapolis, Minn., and Neenah
- 157 Trust Research Study conferences in 38 cities
- 8 State Secretaries Conferences—in Atlanta, Chicago (2), Salt Lake City, New York City, Rye, N. Y., Edgewater Park, Miss., Colorado Springs

Wartime Trust Conference—in New York City
American Institute of Banking Wartime Educational Conference—in Chicago
Spring Meeting of Administrative Committee and Executive Council—in New York City
Joint Meeting of Food-for-Freedom Committee and Agricultural Commission—in St. Louis
The Graduate School of Banking Faculty and Alumni Meeting—in New York City
Joint Meeting of Economic Policy Commission and Research Council—in New York City



Ration Coupon Banking Committee—in Albany, Washington, St. Louis, New York
Committee on Treasury War Borrowing—in Washington
Consumer Credit Council—in Chicago
Trust Division's Committee on Employee Trusts—in New York City
Bank Management Commission's Committee on Postal Money Order Collections—in New York City
Simplified Bank Operating Forms—in New York City
Subcommittee on Agricultural Credit—in Washington
Committee on State Legislation—in New York City
Savings Division committee meetings in New York City—joint meeting of Competitive Agencies and Federal Legislation committees, Investment, Real Estate Mortgages, Savings Costs, Savings Development, and School Savings committees

Publications

IN ADDITION to the regular monthly or quarterly publications of the A.B.A., such as **BANKING**, **A.I.B. Bulletin**, **Trust Bulletin**, **Protective Bulletin**, **Washington Bulletin on Federal Legislation**, and **BANKING'S News Letter**,

BANKING





Bank officers stand in Minneapolis wartime emergency clearinghouse of 11 banks, clearinghouse of wartime money, clearinghouse for war bonds, clearinghouse for war bonds, clearinghouse for war bonds.



Members A.B.A. committee on bank service and bank service, A.B.A. committee on bank service and bank service, A.B.A. committee on bank service and bank service.

HARRIS & EWING

the following have been begun or completed within the year:

Paton's Digest of Legal Opinions, Vol. II
 Paton's Digest of Legal Opinions, Vol. III
 The Home Mortgage Loan Manual
 Personnel Administration in Wartime Banking
 War Loans
 An Introduction to the Study of Banking (A.I.B. Text)
 The Fundamentals of Banking (A.I.B. Text)
 The Teller's Handbook (A.I.B. Text)
 Bank Bookkeeping (A.I.B. Text)
 Selling Bank Services (Bulletin No. 87)
 Accounts Receivable Financing (Bulletin No. 25)
 Origin and Development of Charges for Banking Services
 Ration Banking Bulletins 1, 2, and 3
 Gilbert T. Stephenson Trust Studies—
 How Compensation for Trust Service is Determined (No. 7)
 Wartime Provisions of Trust Instruments (No. 8)
 What and How a Trust Institution Should Tell People About Itself and Its Trust Business (No. 9)
 Readjusting Compensation in Trust Accounts (No. 10)
 Voting Shares of Stock Held in Trust Accounts (No. 11)
 How Directors, Officers, and Employees May Help to Develop Trust Business (No. 12)
 Our Job for December (First War Loan promotion booklet)
 Banking's Job in April (Second War Loan booklet)
 \$15 Billion to Back the Attack—Financial Facts Behind the Third War Loan
 An Analysis of the Soldiers' and Sailors' Civil Relief Act of 1940
 Wartime and Emergency State Legislation Bulletin
 Manual of Laws Relating to Loans and Investments by National Banks
 Summary of Federal Legislation Affecting Banking—77th Congress
 The 100 Billion Budget and the Banks
 Place of the United States in the Post-War Economy
 Wartime Program for Country Banks
 The Prudent-Man Rule for Trust Investment

Surveys, Studies and Reports

WAR production loans and commitments by commercial banks (semi-annual)
 Clearinghouse practices in returning dishonored checks
 PCA loans, interest rates, subsidy requirements
 Banks' estimate of need for RACC revival
 Banker-farmer cooperation in agricultural production achievement
 Farm real estate land price indexes in each state
 War Bond safekeeping practices

September 1943

Earnings and expenses of national banks
 Earnings, expenses, resources and liabilities of state banks
 Bank services for service men
 Savings costs analyses
 Dual system of banking importance in development of American economy
 Delinquency experience of banks with personal loans (monthly)
 Increased bank activity as result of war
 Simplification of postal money order collection procedure
 Number of bank officers and employees having an active part in the Second War Loan campaign
 Employee trusts
 Status in each state of 39 model statutes recommended by A.B.A.
 Legislation affecting banks passed by 1942-43 legislatures, other than A.B.A. approved measures, to determine trends
 Standardized form of bank money order
 Specimen set of by-laws for national banks
 Uniform earnings and dividend report form and simplified condition of business report for use by banks in making reports to supervising agencies
 Revised membership report form
 Organization Committee (Membership) results—
 A.B.A. members
 Sept. 1, 1942—14,320 members—87.7 per cent of the banks
 Aug. 1, 1943—14,574 members—89 per cent of the banks

Banking Education

American Institute of Banking—1942-43 membership, 51,836; class enrolment, 26,602; chapters, 218; chapter branches, four; study groups, 46. Four new textbooks





Left: Dinner at the Graduate School of Banking, Rutgers University, New Brunswick, New Jersey, June 14-26. Right: Men in suits standing together, likely at the same event.

were completed or are nearing completion. Two Job Instructor Training Institutes held, one in New York City, August 2-6; the other in Chicago, August 30-September 3.

The Graduate School of Banking—Ninth resident session at Rutgers University, New Brunswick, New Jersey, June 14-26. Students, 414; graduates, 133; class of 1945, 138. Faculty members, 49.



Other A.B.A. Services and Activities

Cooperation with Senate Committee on Non-Essential Government Expenditures in opposing revival of RACC

Protest against CCC rate cut on farm-stored wheat loans held by banks

A.B.A.-state association joint program to promote food production

Consultation with surety companies, banks, and War Damage Corporation representatives in working out revisions and extensions of WD coverage

Cooperation with OPA in setting up nationwide ration coupon banking system

Assistance in re codification of banking laws in several states; Texas codification completed in 1943

In the program of state legislation consisting of 39 measures, there were 29 enactments during 1942-43 legislative sessions; in the program of wartime and emergency state legislation of 12 measures, there were 67 enactments in same period

Advertising department production-distribution—287 advertisements produced; 4,510,000 pieces of direct mail, 37,000 newspaper mats, 1,800,000 ration book envelopes distributed; 5,000,000 War Bond envelopes distributed since 1941; 6,500 banks ordered various items of this material

News Bureau releases—500, including news items, speeches and articles

A.B.A. Library—4,500 requests for material, 75 per cent from A.B.A. staff and 25 per cent from member banks; 3,778 items circulated, of which 543 were G.S.B. theses; 674 volumes added to book collection, bringing total to approximately 10,000

Thirteen new talks were added to library of speech material of the Public Education Committee, of which nine were on War Bond promotion

New Committees Created

Ration Coupon Banking Committee

Special Committee on Treasury War Borrowing

Priorities Committee

Subcommittee on Agricultural Credit of Committee on Federal Legislation

Subcommittee on Social Security of Committee on Federal Legislation

Subcommittee on Federal Deposit Insurance Study of the Committee on Federal Legislation

Trust Division's Committee on Employee Trusts

Bank Management Commission's Committee on Postal Money Order Collections

BANKING



CUSHING

*I*NTEREST in the future is nothing new, but the present universal attention being given to the post-war outlook is historically unique because of its tremendous scope and intensity. In the first place it is not a product of the war at all but has its roots deep in the long depression of the 30s. It was a familiar phenomenon before there was any war to mark the epoch.

Go back to the New York World's Fair in 1939 and 1940. The dominating theme of this highly successful project was "The World of Tomorrow" and the crowds that stood in line for hours to see the Futurama astonished everybody, including its sponsors.

Here on these pages is a sketchy "preview of a preview." The items are excerpts from "The Return of Opportunity," a book compiled by the editorial office of BANKING, which will be published this Fall by Harper & Brothers. The contributors to the book are leaders and authorities in scores of industries and many different fields of activity.

As will be stated in the foreword, "Those who have serious doubts about the future and want to keep their misgivings intact should not read a book like this."



Business Machinery's Unfinished Business

*I*N APPRAISING the future of office equipment or business machines it would be a mistake to think only of the large organization. Thousands of smaller concerns which have depended upon hand methods in the past will turn to machine accounting.

The possibilities of mechanized record keeping are by no means confined to the office. Every retail store is faced with what is fundamentally the same problem on its sales floor, that of keeping necessary records in the most efficient way.

Compared to what has been done in mechanizing industrial production, the progress made to date in mechanizing office procedure has been small. Much more is certain to be done after the war as competition and the necessity for reducing costs to a minimum make inefficient methods too costly to retain. Viewed from any standpoint the future development of office equipment will make what has been accomplished so far seem small

by comparison.—S. C. ALLYN, President, The National Cash Register Company.

Into This Frame Country Bankers Fit

A LOT of experimenting is being done in farming during the war period, supported by government funds of one kind or another. This type of farming will be discontinued when the emergency has passed. Then farmers must go back to the farming plans which prevailed prior to the war. . . .

Much farm machinery will have worn out and other equipment will need repairing or replacing. There is a strong likelihood that, after a period, there will be recession in prices which will reduce the income of the farmer materially. With the coming of these events there is every reason to believe that the farmer will be leaning on his credit again, and, under the more conservative opinion prevailing at that time, the farmer will find it to his advantage to seek the cooperation and counsel of the country banker. . . .

There should be a demand for agricultural credit to provide that volume of agricultural products which will be necessary to feed and rebuild some of the nations that have been under the Axis yoke. Farming will likely become rather intensive and extensive, and volume sought rather than control exercised. Into this frame country banking should fit very appropriately, providing financial aid and economic guidance.

Country banking will really come into its own after the war. . . . The farmer will turn back to the thought of productive capital, in a sane and practical way. There will be an inclination to avoid creating debt except for productive purposes which have every reasonable assurance of success.—C. W. BAILEY, President, First National Bank of Clarksville, Tennessee.

Thrift Has a Future

Production for war has led to many new scientific discoveries and has proved the usefulness of many new materials. The prediction is freely made that mankind faces the possibility of a higher standard of living, more leisure, more happiness than ever in its long and war-torn history.

The realization of this bright future, however, depends on several things: First, the war must be won by the United Nations. Of this we are certain.

Second, the initiative for the development of our national resources and the management of enterprise and industry must be in private hands.

Third, there must be continued savings, privately owned, managed, invested and made useful.

Finally, there must be equity and justice and an equal opportunity for all, and an acknowledgment that our blessings come to us through the favor of the Most High and we are dependent on His mercy and goodness.

If our future economy will be as I have indicated, there will be renewed emphasis on savings and there will be abundant opportunities for careers in the savings field. Savings must be preached and taught, and places of savings made available to all. Saving must also be made profitable

and must, above all, be safeguarded through wise and prudent investment.—PHILIP A. BENSON, President, The Dime Savings Bank of Brooklyn, New York.

The New Versatility of Trust Service

THE trustman has made every effort through careful and intelligent study to adapt existing services to meet the changing needs of the public. He has been helped in achieving that result because the basic trust requirements are usually flexible enough to meet new conditions and individual requirements. The revocable living trust and the funded insurance trust can be accommodated to almost any situation to afford the financial protection that men want for their families.

He has also realized that now his service must be for more general use; that there is a necessity for the protection of smaller estates and that the fortunes of the future will not be large and his service must be equipped to take care of these fortunes. So he has worked diligently in the creation of the new device, the common trust fund, which enables him to serve efficiently and without added cost, persons of smaller means.

He has studied and prepared his department to handle pension and employee trusts which present conditions have developed. The war, indeed, has emphasized the value of the flexibility and versatility of trust service and the ever present effort of trustmen to keep abreast of the needs of the public which they serve. . . .

The opportunities in the trust field are primarily those of service and not of large profit. By the very nature of trust service it is not and will never be a big money-maker, although it should at all times be "worthy of its hire." . . . It will never return big salaries or large incomes for the trustmen engaged in the work. But, as in the past, it will deliver to these trust workers compensation that does not appear in the pay-check.—FREDERICK A. CARROLL, Vice-president and Trust Officer, The National Shawmut Bank of Boston.

Unborn Farm Machines

OPPORTUNITIES for ingenuity and enterprise lie locked up in every farm job still done by hand or with crude implements. Fruits and vegetables are coming foods, and many machines to lessen labor in their growing, harvesting and packing or processing still remain to be devised.

Competing with the human appetite comes a new customer for farm crops—namely, chemurgy. Already industry uses corn, soybeans, flax. It cries for crops of castor beans, peanuts, milkweed, guayule. Every chemurgic development calls for new farm machinery to make it practical and profitable.

Soil conservation is working a quiet transformation in the methods of farming. Grassland agriculture is coming into its own. Exploitation of virgin fertility must make way for an era of consistent fertilization. All bring the need for new and better machines, for the more extensive application of farm power. . . .

A mechanized war has made both men and women more "machinery conscious" than ever before. Both in material needs and in mental acceptance, there is prom-

ise of a great market for farm equipment, and it will be a hungry world begging for the fruits of farm machinery.

—L. R. CLAUSEN, President and Treasurer, J. I. Case Threshing Machine Company.

A House Must Be Sold As a Package

HOUSEBUILDING has at last a chance to become big business. In the years following the war the combination of pent-up demand, relatively large savings, new and cheaper materials, and advanced techniques should provide opportunities for reaching a mass market such as never before have been present. . . .

Though by no means solved, technical progress immediately before and during the present war does at least clearly point the way to the solution of the production problem. Factory fabrication of lightweight panels and structural parts, reduction in the variety of parts and materials, simplification and preassembly of mechanical work, standardization of equipment—all have been carried far enough to establish a new and practical industrial pattern. . . .

The most serious problem ahead is overcoming the lag on the distribution side. . . . The distribution of factory-produced dwellings (or, more properly, of complete sets of dwelling parts) requires not only finding the customer . . . but finding also a lot suitable for the house and acceptable for mortgage financing; assembling the parts on the lot, connecting with utilities, and grading and planting; subsequent servicing; and financing the transaction. . . .

To simplify these processes as greatly as possible the delivered parts should be so complete as to require little or no supplementing by the distributor from outside sources. This is a serious fault of most of the prefabricated systems current today.

To the land problem, however, there is no simple solution. Certainly for a long-lived, mass market, the consumer cannot be depended upon to provide his own lot. The distributor must consequently either conduct land operations himself or, perhaps better, maintain working arrangements with brokers and land developers. For consumer finance, the industry can probably reply on existing mortgage lending channels, though, as the business expands, less cumbersome, shorter term methods will probably be called for.—MILES L. COLEMAN, Vice-president, Starrett Brothers and Eken, Inc., Builders.

A Declaration of Rubber Independence

There is almost incalculable significance in the fact that we have entered an era in which one of the world's most important raw materials—rubber—can be tailor-made. . . .

In the uses to which tailor-made rubbers can be put lie the explanations of their opportunity to open up new fields of employment and to serve many rubber-using industries better than ever. Moreover, as new raw materials, they will be useful in many products and processes where natural rubber has not been practicable, and will thus be responsible for the development of wholly new industrial activities. . . .

Tailor-made rubbers by their very nature give us an opportunity to exercise a degree of control never before pos-

sible, and it is inevitable that chemists will play an increasingly important part in the industry. . . .

Tomorrow chemists . . . will work in the divisions that produce the raw material, in the departments transforming it into finished products, even in the sales departments. There the chemist's job will be to help the customer find the precise rubber that will meet his needs.

Price will in all likelihood be a steadily less important factor than performance in deciding what material to use, for we now know that large scale synthetic production will permit a price of materially less than 25 cents a pound.—

JOHN L. COLLYER, President, B. F. Goodrich Company.

Swords Into Plowshares

WHEN peace returns research is sure to be stimulated to a rate of activity never before experienced. Not only will we see a resumption of interrupted programs, but also a whole flood of new ones growing out of the important discoveries that have been and are being made in connection with our war production. . . .

Some war industries, notably the airplane group, are planning immense research laboratories and program to discover products which can be made by their smooth-





running production organizations and marketed in the post-war world.

It is a fair guess that the estimated 2,200 industrial research laboratories of pre-war days will be increased by at least half.

College and university laboratories are sure to be more active and more effective in research after the war because of what they have accomplished under the leadership of the Office of Scientific Research and Development and the National Defense Research Committee, to name but two of the coordinating agencies. . . .

As industry swings over to peace-time production its research and development staffs will have to engage in a competitive race that bids fair to surpass anything we have ever seen.—KENNETH R. CONDIT, Dean, School of Engineering, Princeton University.

Consumer Credit Is Resting Up

CONSUMER credit, like everything else, is doing its bit to help win the war. It has stepped aside for the duration to offer its small contribution toward decreasing purchasing power. . . . It is literally resting up for the big job ahead after victory.

Its post-war assignment is indeed a big one. First, it must help facilitate the living and occupational adjustments of major segments of our population. Millions of our boys will be coming . . . back to civilian life. War production will cease and industrial conversion to civilian goods will begin, necessitating temporary unemployment and major changes in the ranks of our industrial workers.

The readjustment period, the relocation of workers, the establishment of homes, all will require money. Much of it will have to be borrowed. This will be a real challenge to the institutions extending this type of credit. Great courage will be needed if these institutions



are to discharge properly their obligations to our post-war society.

Next is the problem of making the most of the nation's increased production facilities and technical advancement. . . . Great production means peak employment, and subsequently a high national income, but purchasing power is necessary to start and to sustain it. The widespread redemption of War Savings Bonds would undoubtedly go a long way toward creating some of the needed purchasing power, but this would only shift the credit problem from the consumer to our Government at a time when the Government will already be overburdened with debt, financial and termination difficulties.

It is, therefore, highly desirable that consumer credit be used to relieve this pressure on the Treasury by providing adequate deferred payment plans for all types of consumer goods.

The demand for civilian goods will be overwhelming when victory comes. . . . Hundreds of new and better articles will appear. . . .

Billions of dollars of consumer credit will be needed to complete a cycle of post-war prosperity.—KENTON R. CRAVENS, Vice-president, Mercantile-Commerce Bank & Trust Company, St. Louis.

Surrounded by Lawns, Gardens, Quiet Paths

The few planned communities which have been created in recent years may seem large by previous standards, but new conceptions will come at the end of the war.

Such neighborhoods are designed to possess the facilities required for more gracious living than has heretofore been possible in the more densely settled metropolitan areas.

They are planned to contain complete and comfortable apartments. The structures occupy but a small portion of the land and are surrounded by lawns, gardens, trees and quiet paths.

This assures a maximum of sunlight and air. Children are protected from traffic and given access to playgrounds and recreational facilities. Stores, garages and other services supply the needs of every day living. . . .

This is a new field. But many men and women of high purpose have given it a great deal of study. . . .

The very core of the planned community is wholesome, healthy environment.—F. H. ECKER, Chairman of the Board, Metropolitan Life Insurance Company.

You'll Find Latin Americans Delightful

I BELIEVE that the closer defense, trade and cultural relations which have been developed between the United States and the Latin American countries since the outbreak of the war can be capitalized to mutual advantage by the business men, young and old, of these nations in the post-war period. . . .

Today we find that wartime requirements have greatly stimulated the development of complementary production. To help replace losses from sources outside the Western Hemisphere, the production of rubber, fibers, minerals, vegetable oils, quinine and miscellaneous products has been largely expanded. Extension of basic industries and enlarged output of consumer goods have also been encouraged. . . .

There is also opportunity for United States private capital to cooperate in further developing in some of the southern republics resources of raw materials which are used in various manufactures here and which normally are supplied by countries outside the hemisphere. . . .

If you contemplate a business venture in any Latin American country plan it on a long-range basis; regard it as an investment, not a speculation.

Go to that country and live there. Learn the language and the customs, as well as business, of the people. On the whole, you will find them delightful to know, cultured, gracious and intensely human. Their friendship will prove one of your greatest assets.—FREDERICK E. HASLER, Chairman of the Board, Continental Bank and Trust Company, New York, and President of the Pan American Society of New York.

Industry Is People

The major contribution made by the American automobile industry to the war, and which it will offer to the peace, is productive ability. This was the particular talent that created a \$4 billion peacetime industry, that turned out more than 85,000,000 automobiles since the turn of the century.

It is logical that those with talents for the process of production should find real opportunities in the automotive industry. . . .

Tremendous economic problems are certain to follow this

war. Practically the whole world has been shaken out of its former economic framework and will have to adjust, after the war, to peacetime pursuits under such economic conditions as are found to be workable. Here in the United States we still have resources and strength to tackle that job.

What should the automobile industry do about it?

1. It should plan to convert itself as quickly as possible to the manufacture of peacetime products.

2. It should keep on improving its production technique.

3. It should raise its sights to the very great desire for useful products which should exist at least for a few years after the war.

4. It should engage in the research that is necessary to develop our war experiences, if possible, to commercial use.

It will do these things effectively if our economic system safeguards individual rights and encourages individual enterprise.—K. T. KELLER, President, Chrysler Corporation.

More Than a Vague Liking

I BELIEVE even the rankest pessimist will concede that expansion in commercial aviation after this war



will be comparable to the expansion in the automobile industry after the last war. . . .

A branch of traffic which will undoubtedly show great expansion is the air mail, air express and freight division. The Air Transport Command has proved what can be done in this field; they are currently flying 10 times the peacetime mileage of all the pre-war airways of the world combined. . . .

The boys who get new jobs in aviation after the war will need to have more than a vague liking for it. There is scarcely a branch of commercial aviation, from mechanic to administrator, that doesn't require knowledge as well as skill. The growth of international air transport will require the services of men trained in international law, in customs, in foreign languages, in geography, and in a thousand other things which the shopkeeper in Podunk need never worry about.—A. N. KEMP, President, American Airlines, Inc.

The Universe With a Fence Around It

AS IN any sort of prospecting, there will continue to be opportunities in research just as long as there is something of value to discover. So long as people are reasonably dissatisfied with what they have, so long as they continue to want something better, then so long will there be opportunities in research. . . .

We have learned in our laboratories that no matter how hard you work you can never keep up with human desires. New wants are always creating new opportunities in research. . . .

We often hear the complaint that there are no longer any frontiers. Nothing could be more false. Chemistry is one of our most promising frontiers. Electronics, aviation, television, to mention only a few, are frontiers to realms of almost unlimited opportunity.

The research man's most important job is to discover and develop these frontiers.

The way it looks to me is that if we are trying to move something with a block and tackle, we have to have a stake out ahead. Research projects are our advance stakes, well ahead of the load we are pulling. We can't pull the load very far with each stake, and just as soon as we stop driving advance stakes, we can pull the load only up to where our last stake is. That is where progress stops.

Our progress depends on the stake-drivers. For such men, the opportunities in research are boundless.—CHARLES F. KETTERING, Vice-president, General Motors Corporation, and General Manager, General Motors Research Laboratories.

A Nest Egg for Home, Sweet Home

AFTER a short period of readjustment, we will probably experience the largest amount of home building that has ever taken place in this country. . . .

There will be an unprecedented demand for all types of new dwellings and this will certainly create opportunities for financial institutions, mortgage brokers, real estate men and builders.

The young man now serving in our armed forces will want a home of his own when he returns to civilian life. . . . He will be more creative, more resourceful, more imaginative. The Army, Navy or Air Force will have trained him in new skills, new ways of thinking and living. . . .

Civilians who are now being held in check by priorities and other curtailments on building will want homes of their own when these restrictions have been lifted. . . .

The future of the airplane and the probable development of the small automobile of the jeep type . . . will make the pleasure of living in the country more attractive because of the increased accessibility to the city. . . .

The financing of home ownership should be comparatively easy. The money now being saved for War Bonds, payroll deductions, and the savings that the soldiers are sending home will serve as nesteggs for down payments. Banks have large investments in short-term government bonds and as these mature the banks will be anxious to place this money in mortgages, especially Federal Housing insured mortgages. . . .

The whole building industry is ripe for leadership in productive activity after the war.—JOSEPH E. HUGHES, President, Washington Irving Trust Company, Tarrytown, New York.

Time to Map America

The discovery of resources, their development, their economic transportation and their distribution form a great framework which supports the national economic structure. The least improvement in any of these functions is felt throughout the whole.

The chief source of information necessary for such improvement must be compiled in the form of maps. . . .

There are no adequate maps of any part of the United States today, except for a few areas mapped during the emergency for defense purposes and one or two isolated exceptions. . . .

It is very possible that over one-half of our railroad mileage could be operated at two-thirds the cost had maps been available when the systems were being laid out. . . . Billions of dollars of investment have been lost already in flood damage along the reaches of the Mississippi and still no adequate maps are available to give the key to the proper control of the head waters. . . .

The hit or miss days are over. After the war there is bound to come a great change in utilization of our resources. The nation must discover its mine deposits and oil resources, greatly improve its transportation system, control its floods. . . . The first step toward even discovering the possibilities of these things, let alone their designs, is the construction of accurate large scale contour maps of the entire country.

The knowledge and skill are available to make the ground surveys and the aerial photographs necessary and to combine them into useful maps. All that is needed is the proper congressional appropriation. Probably half a billion dollars would do the job.—PHILIP KISSAM, Chairman, Department of Civil Engineering, Princeton.

Chemistry Is a Limitless Field

SINCE practically everything that man now comes in contact with in the course of his daily life has been manipulated to some degree by the chemist, chemistry is a fundamental activity upon which all our economic life is dependent. The chemist has now become a vital part of the industrial organization whatever its field of activity.

We can, therefore, look for increasing changes in our agricultural practice, in our clothing, in our housing, in transportation, for there are still infinite possible contributions yet unexplored in the chemical field. There will be many new drugs, new dyes, new alloys, new motor fuels, new plastics—all the products of the research laboratory and the future chemical engineering unit.

The field is limitless and offers to adequately trained personnel a vast area for investigation. The very fundamental character of the service rendered by chemistry assures its future place.—W. S. LANDIS, Vice-president, American Cyanamid Company.

Micro-Filming the Post-War Panorama

THE WAR has given tremendous impetus to the expansion of micro-photography. Financial institutions and war industries have turned to micro-filming as a means of preserving their vital records against loss or damage through bombing, fire or sabotage. The "master-files-on-film" are stored in places of safety, far removed from the original documents.

Micro-film records, because of their 100 per cent accuracy and the economies which they effect, are now being extensively employed for the reproduction and rapid delivery of blueprints, engineering drawings, specifications, and other documents essential to the construction and maintenance of war materials.

Out of the war has also come a new, safer and speedier means of communication known as "V . . . — Mail." . . .

With the future expansion of micro-filming will come opportunities for the employment of qualified personnel. Additional men will be required for the installation and maintenance of equipment. Others will be needed for the planning and supervision of photographic systems of accounting, record preservation and storage space reduction, in financial institutions, libraries, newspaper publishers, business and industrial organizations, and governmental agencies.—GEORGE L. MCCARTHY, President, Recordak Corporation.

They Would Have Burned for Witchcraft

TOMORROW will be a different world, full of exciting adventures. These war years have been fertile in inventions. The lack of certain materials has stimulated the fabrication of new and unheard of things with which we shall live intimately after the war is over. A few generations ago their designers would have been burned at the stake for witchcraft.

Who would have dreamed, for example, that we could heat our houses, at least in part, by putting thermopane glass in our windows? Or that heat and light could both

come from an invisible unit in a room which will take the place of the modern ugly radiator?

Much magic has been worked in lighting. It is quite possible that tomorrow we can plug in lighting fixtures at any point in walls or ceilings, with the aid of a skeleton screen, installed while building. Light in a house may be controlled by an "electric eye" which operates automatically when visibility is lowered to a certain point. . . .

Furniture will be made partly of metal and partly of moulded plywood—light and strong as airplanes. Hardwood plywood will be used, too, in post-war walls, in bathtubs, in lamp reflectors, and in curved and moulded staircases. . . .

We shall have wood that will not burn; glass that will not break but will float; window screens that are not made of metal; air conditioning systems that will filter out the pollens of hay fever; television that will bring the world inside our doors; oil paint that will mix with water; wall decorations painted with fluorescent paint, invisible under ordinary lights but visible when exposed to infra-red rays.

These seem like fantastic and improbable dreams, but they are actual things with which we shall have to work.—NANCY V. MCCLELLAND, President, American Institute of Decorators.

The Human Race Need Never Be Poor

Looking around for an exciting new frontier? The fence corners, the river bottoms and the fields are full of them. . . .

How many different plants do you suppose there are growing in the United States and Canada? Around 15,000, according to the best information I can get. Ought not a few of them to be good for something? . . .

In case you're not interested in finding new plants for old or new uses, how about the by-products business? Fortunes have been made in it, you know. Coal tar dyes, for instance. Agriculture is almost exactly half full of by-product material. The average farmer raises a two-ton crop, sells one ton, leaves the other ton at home because no one will make it worth his while to sell it. . . . The total tonnage of cornstalks, cotton stalks, straw, cull fruits and vegetables and all that sort of thing just about equals the total tonnage of grain and saleable material. There must be a fortune in that unmarketed half for someone. . . .

Crops have advantages as raw materials. The supply can never be exhausted because each year your whole amount can be produced again. Since 98 per cent of plant structure is air and moisture, made into solid substance by sunshine, the human race will never need to be poor unless people quit thinking. . . .

New industrial uses for farm-grown materials, new crops for new or old purposes, and profitable uses for farm wastes—that's the general field. It seems to be full of opportunities for the years ahead because so far the surface is barely scratched a little.—WHEELER McMILLEN, President, National Chemurgic Councils, Editor-in-Chief, *Farm Journal* and *Farmer's Wife*.

Electricity Is a Willing Farm Hand

THE farm family will continue to equal the city dweller in the enjoyment of new electric services as they develop,



such as television, home air conditioning, and improved lighting, all of which will be introduced to the market soon after victory.

As a result of new developments in agriculture and chemistry, which have been rapidly accelerated by the necessities of war, the progressive farmer will benefit greatly in the future. It is a practical prediction that shortly after the necessary materials for manufacture are made available, farmers will process many of their own products at home with quick-freeze refrigerators and food dehydration equipment.

Most products of the farm will doubtless be stored on the premises in specially designed storage houses with controlled temperatures. The quality of hay and grain will be improved by scientific drying and storing. New labor saving equipment will be developed.

All of these should add to the profits of farming and at the same time add greatly to the sale of electricity for farm use.—S. W. MURPHY, President, Electric Bond & Share Company.

The Railroads Are Going Places

POST-WAR competition among the railroads and the various agencies of transportation will generate countless opportunities. In the railroad industry this competition will place a premium on imagination, ingenuity and resourcefulness.

There will be opportunities in the designing and building of new equipment and facilities; in the development of improved operating and maintenance methods and practices; in the various fields of research; in every phase of railroading.

There will be new opportunities for men with executive ability; for men with merchandising talent; for men with a flair for mechanics; for men skilled in personnel and public relations; for men who can operate and maintain the many new types of equipment which will be built. Indeed, for men representing almost every trade and profession, the post-war railroad industry will offer opportunities that now stagger the imagination.—ERNEST E. NORRIS, President, Southern Railway System.

It All Spells Shirtsleeve Banking

BANKS, like factories, must constantly modernize their machinery, their products and services, must keep their ideas and their practices in step with the times and with the needs and demands of their markets. This modernization process has been most visibly under way in banking in recent years; it will be accelerated and expanded.

The casual observer who concludes that the banker's life work consists in making book entries and in providing safekeeping for funds is one who cannot see the forest for the trees.

Banking is an agency of progress whose total contribution cannot be fully measured; but the evidence is everywhere in the creation and development of industries, the expansion of employment, the utilization of the soil and its products, the distribution of wealth, the raising of living standards, and the other major economic indices of civilization. Banking has aided in every advance. . . .

In the years near at hand I foresee several areas of specialized activity which should be of unusual interest. . . . For example:

American industry . . . will be reconverted to peace, in a pre-war pattern, or with changes as revolutionary as the original transformation to war. New products, new materials, new distributive methods—these things and many more are in the picture. The banker will have a vital place there.

Our country will be a primary force in the new world, commercially as well as politically. Americans and American products will go to every corner of the globe. American banking will go there too.

Our banks have always financed production. On an increasing scale, they will finance distribution and consumption. . . .

One of the major economic realities of the post-war period will be the American construction program. Millions of new homes, erection and modernization of all types of buildings, great engineering works—all will be in this program, to which our banks are intimately related.

Increased earning power has made millions of Americans aware, for the first time, of the value of banking services. Popularization of these services, increased utilization of them, will continue. Banks will serve more people, serve them better.—GWILYM A. PRICE, President, Peoples-Pittsburgh Trust Company, Pittsburgh.

America's Sun Is Rising. . .

One need not be an irresponsible architect of a post-war Utopia to draw a single clear and significant conclusion: America's industrial sun promises to rise more brilliantly than ever on the world's economic horizon. And that means expanding world trade and financial opportunities.

Fully occupied in war, we fail to note the far-reaching changes that are taking place in our business and industrial life. . .

New steel alloys, prefabricated, insulated houses with stainless steel roofs, midget automobiles for children, wireless conversation between individuals, FM radios, full-color television, dehydrated foods, and airplanes universally used are among the definite possibilities.

Automobiles, radios, foods, medicines and electric appliances will eventually flow from our factories in large quantities for civilian use over the world.

New products will be pressing for new markets. These markets will be opened if we pursue an intelligent policy of reasonably lowering trade barriers so that the products of other nations which we urgently need will enter our markets in exchange for our products sent abroad. . .

Mankind everywhere is eventually destined for higher standards of living, and these may readily be in large measure the product of American industrial statesmanship. It is the invariable record of history, since the Industrial Revolution, that increasing human desires demand satisfaction by increasing goods and services. Inevitably that demand means expanding opportunities for world trade and finance.—HERBERT V. PROCHNOW, Assistant Vice-president, The First National Bank of Chicago.

Advertising Is the Interpreter

THE best estimates available indicate that, allowing for 2,500,000 women and others retiring after the war from the present labor force, allowing another 1,000,000 for minimum unemployment—that is, people temporarily incapacitated—and 2,000,000 for a peace-time Army for some time to come, there will be 57,000,000 men and women ready for peacetime employment. This compares with 46,000,000 employed in 1940. Hence, post-war there must be jobs for 11,000,000 more people than in 1940.

On wartime production some 50,000,000 employed people have demonstrated that they can produce at the rate of \$3,500 worth of goods and services per year. Hence, the 57,000,000 post-war can produce a total of \$200,000,000,000. . .

We can consume the full product of our production if we have the money to pay for it.

The \$200,000,000,000 figure includes \$55,000,000,000 of production which is required to pay the taxes levied by the Government directly upon business and to pro-

vide for the capital requirements of business and for the tools supplied by business. Therefore, the amount of goods and services which have to be paid for by individual consumers is approximately \$145,000,000,000.

To make this amount the *average* wage earner would have to *earn* \$50 a week. . . The *incentive* of full employment is tremendous. Will it stimulate us to find the proper solution? . . .

Fortunately, as a result of wartime shortages it is estimated that by the end of 1944 there will be a pent-up demand for \$66,000,000,000 worth of civilian goods. This backlog . . . will tide over the transition period of converting from war to peacetime production.

In the transition advertising will play its part, for advertising is an *interpreter*.

On the surface it would seem that every improvement either of product or way of life would speak for itself. That this is not the case, even in our own country, is made strikingly clear by the experience of the automobile maker. . . Sales promotion and advertising have been an essential part in moving enough automobiles to enable the manufacturers to give progressively better values.

It has always been easier to make products than to sell them. . . All this means that for those trained in advertising and distribution the opportunities after the war should be greater than they were pre-war.—STANLEY RESOR, President, J. Walter Thompson Company.

How War Knits the Americas

EVERY cloud has a silver lining, even war clouds, and one of the bright sides to the present conflict . . . is the discovery that the most distant markets are not always the greenest. There are excellent opportunities to buy and sell right here among the neighbors at home. . .

The trend toward unity, cooperation and better understanding, which goes hand in hand with trade and commerce, has every indication of being permanent and of providing a firm basis for future hemisphere solidarity.

Each day new commodities and new products, originating in our own part of the world are replacing those we used to buy from overseas.

While the United States has signed many trade agreements with the other American republics, and opened new markets close at hand, it is by no means alone in this field. All 21 republics of the new world are now entering into formal and informal agreements with each other, exchanging goods and goodwill, lowering trade barriers and speeding the interchange of commerce to a degree never known before.

The physical means of communication between our republics—highways, airways, railways and communications by sea—are now being improved with rapid strides made in the construction of international highways and airlines. The Pan American Highway is like a spinal column for this growing system of international roads and the airlines spread their network across the map so rapidly that the picture changes from day to day.

Under the slogan "What Helps One Helps All" we are raising standards of living, and higher standards of living, in turn, create increasing demands and a growing

exchange of goods. It's "Good Business" for all of the Americas.—JOSEPH C. ROVENSKY, Vice-president, The Chase National Bank, New York; former Assistant Coordinator, Office of Inter-American Affairs.

An Airport in the Back Yard

During the past three years, a new development has been under way which greatly enlarges the outlook for aviation.

The helicopter has been improved to the point where it may now be considered an actuality. This novel aircraft is capable of rising vertically from the ground to indefinite heights; of hovering stationary at any point above the ground; of flying backward or sideways, as well as forward; of settling vertically down to the ground; and of coming to a stop during this settling, or even reversing itself and again climbing vertically upward.

Its forward speed at the present time is in the neighborhood of 80 miles per hour, but it is contemplated that within a very few years speeds will be between 120 and 140 miles per hour. . . .

The airplane is the slave of the airport. Without the airport, the airplane is helpless.

The helicopter, on the other hand, is capable of making the airplane far more useful than it now is by providing transportation to and from airports with maximum ease and minimum loss of time.

Furthermore, it is capable of serving the private requirements of a great cross section of our country's population since it can be operated perfectly safely from back yards, small clearings or even flat-topped roofs or platforms, provided there is just sufficient clear space to contain the helicopter's structure with a slight margin to allow for piloting error.—IGOR SIKORSKY, Engineering Manager, United Aircraft Corporation, Vought Sikorsky, Aircraft Division.

The Shape of World Communications to Come

SUCCESSFUL means for television transmission between cities by telephone channels, similar to the transmission of radio programs now between cities, has been a challenge to communication engineers. The solution calls for circuit design capable of providing a band width in the magnitude of millions of cycles.

The coaxial cable, which is already in commercial use for telephone transmission, together with repeaters and other apparatus recently perfected or under intensive development, promise to provide the band width necessary for television transmission within the bounds of allowable costs. . . .

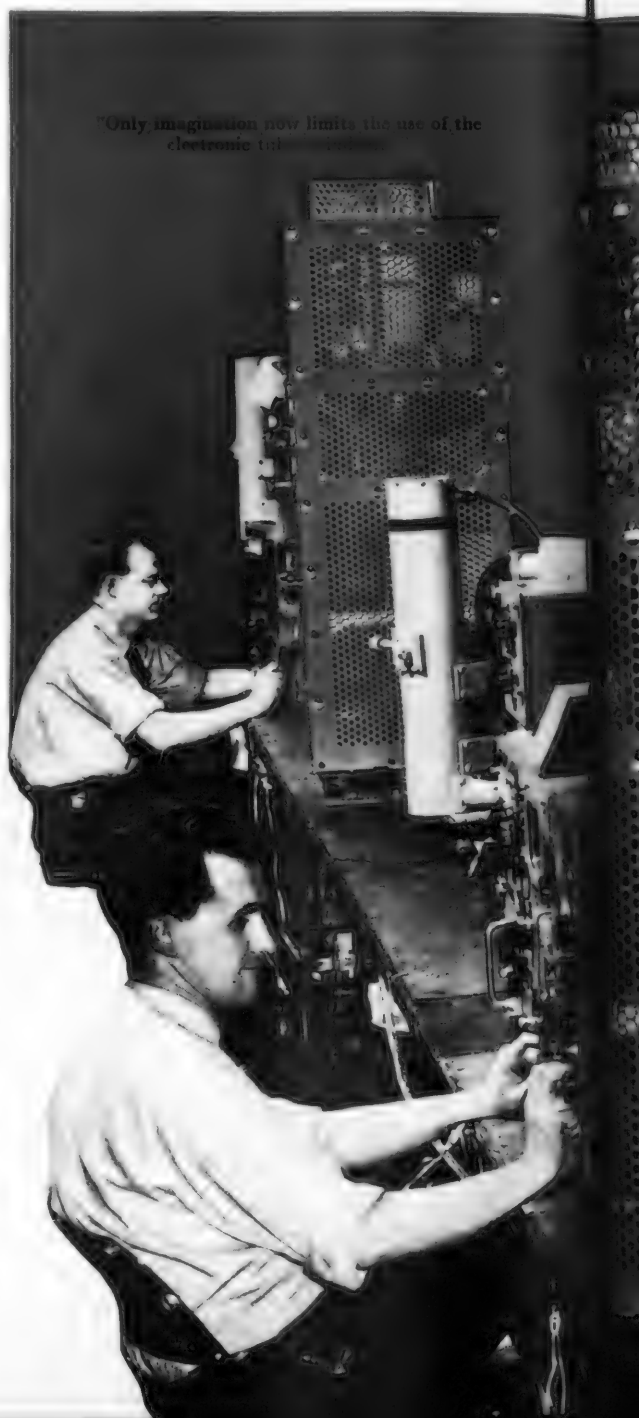
Encouraging development of television was proceeding prior to the outbreak of war. The war interrupted commercial application but, on the other hand, it has speeded up research and inventions in electronics for war devices so greatly that television, like many other developments, will be found after the war to have advanced in spite of this interruption.

While much remains speculative as to the future of

television, the fascinating advantages it opens up are tremendous, and a great telephone network for television transmission has definite possibilities.

Transatlantic communication by means of submarine telephone cable, although still containing many elements of speculation, also offers definite possibilities. . . .

While not all the problems have been solved, there has been considerable progress toward perfecting a multi-channel submarine cable for use over extended distances.—MARK R. SULLIVAN, Vice-president, American Telephone and Telegraph Company.



Almost Everything But Cook

RADIO is on the threshold of a great future, which in the scientific sense may well be termed truly miraculous. . . .

I speak of improved sound broadcasting, including frequency modulation, television and facsimile, as well as the whole field of electronics. . . .

The big task at the end of the war will be to make television available to the public as rapidly as possible. The pattern of sight broadcasting will follow sound of two decades ago. At first television studios and trans-

mitting stations will be set up in the nation's larger cities; and then, as costs are reduced, in the smaller cities and towns. . . .

With facsimile supplementing sound broadcasting it will be possible for you to listen to an opera and have the libretto dropped out for you as the music plays. . . .

Only imagination now limits the use of the electronic tube in industry. No man can foresee the money the electronic tube will save, the burdens it will lift, the benefits it will bestow.

A few of its industrial uses show its present scope. It can detect gases in tunnels, match false teeth, light air-beacons and airfields, give hold-up protection to banks, coat sandpaper, control bleaching processes, sterilize foods, exercise moth control in orchards, aid ships to dock, control humidity and fill toothpaste tubes.

Its uses in radio and television are boundless. One post-war certainty will be the universal acceptance of FM—frequency modulation—which abolishes all the imperfections of present day radio.—NILES TRAMMELL, President, National Broadcasting Company.

Add Rooms As the Babies Arrive

THERE is a lot of talk going around about a post-war boom in housing. And a lot of people have made a lot of predictions about the size of that coming boom.

Generally the predictions set the figure around one million new dwelling units per year. Our analysis of the available facts leads us to believe that the annual total will be well over one million dwelling units a year within a relatively short time after hostilities cease. . . .

Does the building industry have the right product available to satisfy that demand, or, for want of the right product, will it permit the demand to spill over into other fields . . . ?

The right product means a home within the price range of the great majority of Americans, a machine-perfect home that is good value for the money spent. . . .

With the development of prefabrication—or engineered housing, as we prefer to call it—and under the stress of a great need for proper housing of war workers, the right product has emerged. Its specifications:

Cost. At normal peacetime price levels, possibly as low as \$1,800 for a comfortable four-room house. Even under today's inflated building costs, such a home would run no more than \$2,350. And that means that a man can own such a home, amortizing his mortgage, paying taxes, providing for maintenance, for around \$20 a month. Larger homes will cost more, of course, but nowhere near their pre-war cost.

Design. With the large production possible in engineered housing, good design is available to everyone. In fact, good design is necessary, because the only economic way to produce in large quantities is to plan everything in advance.

Construction. With large-scale production, it is easier to produce a machine-perfect home, where every part fits precisely and nothing is left out, than it is to produce jerry-built houses one at a time. The post-war U. S. home will have insulation, heating, kitchen and bathroom equipment, flooring and closet space beyond anything seen in housing to date. It will be a flexible home;



GENERAL ELECTRIC

the owner will be able to move it to another location if he so desires, or add rooms as his family needs increase.

Satisfying the demand. Post-war homes will be built within days or weeks after the down payment is made, depending on the size of the house. This means that the pre-war choice of either buying a ready made house which did not really fit your needs or of waiting months for the house of your dreams—such choice is no longer necessary. And the prospective home-owner, of course, saves rent if he can move into his new home in a few days or weeks.

None of this is in the realm of conjecture. The materials and the methods necessary for machine perfect, low cost homes exist today. Research in design has been going on for years. All have been tested both in peace and under wartime conditions.—F. VAUX WILSON, JR., Vice-president and General Sales Manager, Homoroto Company.

The Open Door for Women

The history of the past 25 years shows an enlarging participation of women in the work and life of the nation.

With the coming of peace this participation will be accentuated not only through enlarged vocational opportunity but also through expanded responsibility in social, civic, and community life.

The last war swung open a door of opportunity which was concretely symbolized by the suffrage amendment. The present war opens the fields of business and industry as well as the professions and admits women as co-equals in the nation's program of production. . . .

By the very nature of life and society, woman's primary service to society will continue to be her contribution to the stabilization of home and family life through her wife-and-mother relationship. But that contribution is only reenforced by opportunities for self-expression and self-dependence through political, professional, and economic channels.

The most significant factor in this "new order" for women is the challenge it holds for education. The new vestments of education must be cut to grown-up stature. The educational program of the future must take into account that broadened opportunities in living demand broadened opportunities in training. General education for women must recognize the "open door" principle of equal democratic participation.—JAMES M. WOOD, President, Stephens College.

The Epic Story of Refrigeration

DURING the past decade there has been an unprecedented extension of the benefits of refrigeration to the farm and rural people of the North American continent.

Locker storage has speeded forward from an almost unknown service in 1930 to a very active industry now comprising nearly 5,000 locker plants averaging about 250 individual lockers each. At least 5,000,000 people in the United States and Canada are now enjoying the products preserved in locker storage. The benefits experienced have been so highly satisfactory that a continued growth of this business to probably two or three times its present capacity can be anticipated within the next decade.

Closely related is the rapid introduction of farm freezing units, milk and storage coolers and farm size refrigerators. With rural electrification an established reality instead of a fond hope, an ever increasing diversity of electrically driven refrigeration facilities, many already developed to a high degree of effectiveness, can be predicted for the rural and suburban home of the future. All year around diets will likewise change to include more perishable food formerly available only seasonally or to those who could pay high prices. . . .

Refrigeration for medical purposes is being rapidly recognized by the medical and sanitary profession as one of the greatest assets to practice and research. The application of refrigeration to the successful storage of blood plasma is one of the epic stories of the present war. The transporting of antitoxins in refrigerated plane carriers is likewise a story full of romance and accomplishment.

The application of cold to produce dormancy in life cells offers an almost untouched field for the advancement of surgery and hospital practice. . . . It can be expected that the sanitary and medical men of the present generation will likewise promote rapidly the extension of refrigeration in these new fields that hold great promise.

Refrigeration in metal parts production is an almost unexplored field. In the present war refrigeration has made unpredicted advances in (1) aging of metals, (2) testing of equipment for simulated flight conditions, (3) special heat treatment of aluminum and light metal alloys, and (4) for deep chilling for rapid assembly of rivets and metal parts to close tolerances. . . .

For some years to come we can anticipate more house cooling being done by fans utilizing the effect of rapidly moving fresh air or the "night cooling" procedure.

In the drier areas evaporative cooling will continue to be very popular since it is highly effective. Refrigeration will, however, be very active in the high humidity areas where evaporated cooling is not satisfactory and will also continue to find its place in cooling homes where price and operating costs are not serious factors.—W. R. WOOLRICH, Dean of Engineering, University of Texas.





Bank Operations in Wartime

PHOTO: EQUITABLE TRUST CO., BALTIMORE

JOHN J. McCANN

In wartime bank operations are affected by three major problems—a scarcity of equipment and supplies, shortage of manpower, and a tremendous increase of work.

This section of the Yearbook is a symposium of ideas and methods which have met these problems.

Practical Economies

MANPOWER problems, added wartime banking services, and shortages of equipment and supplies, have resulted in many innovations at the PEOPLES-PITTSBURGH TRUST COMPANY of Pittsburgh, Pennsylvania. Some of these are in the nature of practical economies which are bound to be permanent; others are merely expedient adaptations to meet the needs of the moment.

In handling all of these problems, the bank follows a policy of continuous analysis aimed at keeping one step ahead of changing conditions. For example, its operations department and the supply and purchasing department recently completed an inventory of all equipment at the main office and branches. Each item was given a code number. Besides providing a constant

check on all equipment and its state of repair, so that any machine can be moved at any time to meet a peak load wherever it may occur, the inventory turned up many items of equipment which were not being utilized to the full effectiveness, and which could be transferred with advantage to new locations.

Among the unnecessary operations eliminated to ease the manpower shortage, the bank discontinued the mail advice of service charge to checking account customers. This charge is now shown only on the monthly statement under the "SC" symbol. The debit form which was formerly produced as a carbon copy of the mail advice was also eliminated. For posting purposes, the bank now uses the analysis card, which contains data on balance, items, profit and loss. Before posting, the loss cards are separated from the others to avoid error. The bank is also considering the feasibility of setting up in a separate group those analysis cards which show a profit regularly, and figuring them only every three to six months, instead of monthly, to determine whether they are still definitely profitable.

New wartime services, such as ration banking, withheld income tax deposits,

and issuance of War Bonds have been worked into the bank's operations where they would cause the least disruption of normal functioning. These services are manned by clerks whose routine duties are lightest.

Feminine Factors

"OUR biggest problem," says the FIRST-SECURITY NATIONAL BANK of Los Angeles, "has been to secure desirable applicants to replace employees going into the armed forces and war plants." Since the inception of Selective Service the percentage of men employed dropped from 76 to 30, while the number of women workers increased from 24 to 70 per cent. Excluding officers, women now comprise 75 per cent of the bank's staff.

Turnover during the past year reached record proportions. While most of the draft age eligibles (except fathers) are gone, turnover continues high. Analysis of resignations shows the turnover rate considerably affected by women—due to the so-called "feminine factors."

The bank has, nevertheless, been able to absorb these large numbers of people
(CONTINUED ON PAGE 67)



They cleared an acre . . . for war work . . . “photographically”

by transferring their files
from “bulky” paper to
microfilm—
with **RECORDAK**

A LEADING electrical manufacturer . . . badly in need of space for the manufacture of war-vital materials . . . begrudged the acre in which were stored 2,000,000 old documents.

These old shop orders, sketches, drawings, and charts were too important to throw away. (Included were the drawings for America's first alternating current equipment . . . the sketches for the generators which first transformed the water power of Niagara Falls into electrical energy.)

Microfilming, with Recordak, was the solution. Paper records were photographically transferred to microfilm, their bulk reduced by about 98% . . . an acre cleared for war work. But these vital records are always available for reference.

Microfilming of currently accumulating records was also instituted . . . with an important saving of critical materials. Formerly, 25 steel file cabinets a year were used for storing tracings and engineering drawings alone.

Banks, of course, have long been using Recordak for “compressing” important documents on safety film. For a Recordak “master file on film” takes up less than 2% of the space required by the

original documents . . . can be stored in the steel-and-concrete security of your vault. Recordak Corporation, Subsidiary of Eastman Kodak Company, 350 Madison Avenue, New York, N. Y.



One of a series on **RECORDAK** wartime contributions

BANK OPERATIONS—Continued

only by giving them intensive within-industry training. The better positions are filled by up-grading. Promotions have been accelerated for both men and women at a rate previously thought impossible.

Some of the steps in the training program are: (1) A machine bookkeeping school; (2) batch clerk and teller training on the job under the direction of supervisors. This is supplemented by periodical teller training classes at the bank's head office where visual education methods are used. (3) Use of the War Manpower Commission Job Instruction Training course, which has proven so successful in war industry, for supervisors and chief clerks.

All training is supplemented by many practical courses being given by the Los Angeles A.I.B. chapter; namely, Introduction to the Study of Banking, Fundamentals for Tellers, Safe Deposit Theory and Practice, Beginning and Advanced Shorthand, Escrows I and II and Branch Operation and Staff Management (a special course for chief clerks). Most courses consist of 10 sessions, scheduled the year round to provide enrolment almost immediately upon entering the bank.

"Although we are located in the center of the largest war industry in the nation," the bank comments, "we are still able to secure desirable applicants by offering stability of employments, favorable working conditions, locating employees close to their homes and making promotions within the organization."

Radio Theme

THE ONONDAGA COUNTY SAVINGS BANK of Syracuse, New York, has introduced a new daily radio program called "Behind the Lines"—a human interest show designed to give public recognition and honor to local war workers. Citizenship citations and emblems are presented to two persons selected for outstanding "service to their country" by the American Legion committee of judges. The awards are also featured in newspaper ads and a roll of honor displaying the names of individuals receiving the citations and the companies who employ them is prominently featured in the bank lobby.

Careful preliminary promotion among local industries and the public gained a widespread audience for the program from the start. Its objective is to give a lift to the home front morale and to stimulate payroll savings.

(CONTINUED ON PAGE 69)

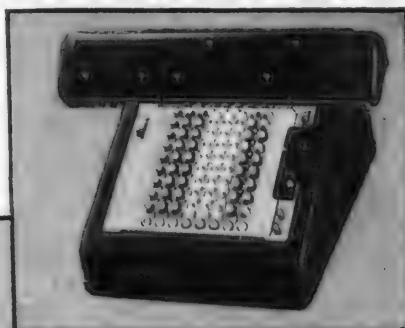
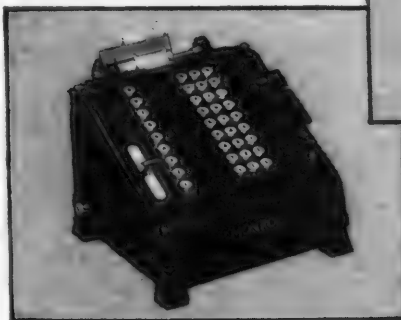


Manpower shortage is a problem in handling the increased figure-work confronting every bank in the country today. Due to War conditions, the customary commercial banking transactions have greatly increased. Added to this increased work, have been the complications of Ration Banking and most recently Pay-As-You-Go Tax bookkeeping for those banks selected as depositories for these taxes.

Monroe machines are at work in banks all over the country; they are saving time and manpower in their fast and accurate production of figures. If additional Monroe equipment is needed to relieve manpower shortage on bank transactions, that are essentially War work, application for priority may be made.

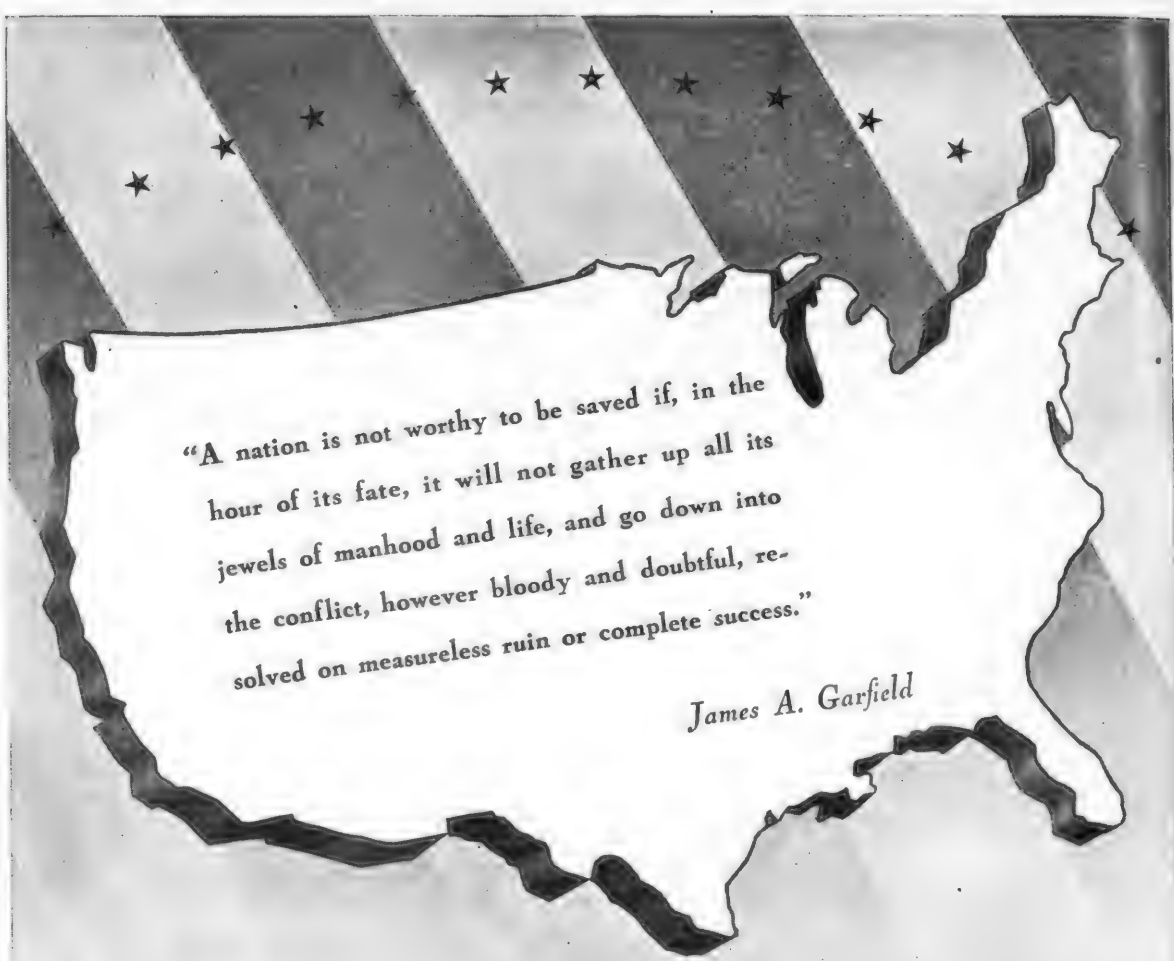
In the meantime, through a nation-wide system of Monroe-owned branches, Monroe offers you these two definite services to keep your machines at work: Guaranteed Mechanical Maintenance through regular inspections by trained mechanics who keep your Monroes operating efficiently, and Expert Analysis of your Wartime Figure Work and Forms to give you the fullest use of your Monroe equipment.

Phone your nearest Monroe Branch, or write us for full details about Monroe Wartime Service. Monroe Calculating Machine Company, Inc., Orange, New Jersey.



MONROE

Machines for Calculating,
Adding, Bookkeeping
and Checkwriting



"A nation is not worthy to be saved if, in the hour of its fate, it will not gather up all its jewels of manhood and life, and go down into the conflict, however bloody and doubtful, resolved on measureless ruin or complete success."

James A. Garfield

MERCANTILE
Bank and
SAINT



COMMERCE
Trust Company
LOUIS

MEMBER FEDERAL DEPOSIT
INSURANCE CORPORATION

BANK OPERATIONS—Continued



Behind the "modernized" teller's cage at the First National Bank, Erie, Pennsylvania

Double Capacity

THE above picture illustrates how the FIRST NATIONAL BANK of Erie, Pennsylvania, is coping with the problem of handling increased business with the same facilities. By removing part of the grill section and adding a wooden counter several inches over and above the regular counter, the added space compensates for the split in the cage. Each teller's transaction is still private; all checks and documents are completely out of sight.

By this means the bank has doubled its teller window capacity with a minimum of expense and alteration. The "co-ed" note in this picture indicates again the part women are playing in bank operations today.

Internal Adjustment

THE McDOWELL NATIONAL BANK of Sharon, Pennsylvania, gives a few more suggestions on departmental adjustments. Before Pearl Harbor, its bookkeeping department operated four posting machines, which has since been cut to two by dividing the present staff into posting operators and relay bookkeepers. The advantage is that each employee becomes a specialist in her job, and waste motion, friction, etc., is eliminated.

Two bookkeepers do posting only, while three others prepare mail, exchanges and other items, these are the so-called "relay bookkeepers." Two additional employees are more or less utility helpers, their duties including the canceling and filing of checks, computing activity charges, and other similar tasks.

This type of breakdown, the bank claims, is ideal for starting new help; the procedure being an introduction as utility bookkeepers, to the relay status, and finally to the posting machines. As

the employees advance, the reserves become capable of filling-in in emergencies. This bank also has instituted a relayed posting schedule.

At the month's end, customers are notified that statements will be available on the second business day of the following month. This dovetails the work of preparing statements with delayed posting, without a last minute rush.

In the transit department, work has been greatly reduced by the use of one transit letter instead of four or five, which was the vogue some years ago. The change was prompted by the bank's realization of the fact that its big city correspondents are better equipped to handle the sorting and collecting. While

the bank admits that this policy may give the impression of imposing "too much on our neighbor's good nature," it feels that the work is more than offset by the compensating balances carried by the larger banks.

Elbow Room

A SITUATION typical in these days of expansions and shortages was met and solved effectively by the MANUFACTURERS NATIONAL BANK of Detroit. A consistent rise in activity and number of accounts confronted the bank with the fact that its ledgers had reached the limits of expansion.

To increase the number of ledgers was



For Promptness

FOR EIGHTY YEARS promptness has marked the service to correspondent banks of The First of Chicago. Today our Bank and Bankers Division is handling a nation-wide business, and invites accounts upon a basis that so long has proved mutually satisfactory.

The First National Bank of Chicago

Building with Chicago Since 1863

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

one solution; however, this presented other problems—obtaining additional equipment and maintaining a larger staff of bookkeepers. Then, too, an increase in the number of ledgers would affect the distribution proof operation on International Business Machines, which method provides each bookkeeper with a predetermined total of debits and credits—to the extent that two or more bookkeepers would have to balance to one total.

To by-pass this situation, the bank established temporary file sections of wooden construction and used the bookkeepers' desk check files.

The canceling and filing of checks was then transferred to a group of

four junior clerks, under a supervisor.

Checks were then routed from the bookkeepers to the Recordak division and from there to the file room. Here, each file clerk was assigned a certain alphabetical section; which enabled her to learn the names and signatures of accounts from four or five ledgers. Their job is to maintain a count of all items and assist bookkeepers in running list totals of accounts having activity of 10 or more items a day. Other duties performed are of a miscellaneous nature; the entire routine preparing the group for advancement to positions of bookkeeping machine operators.

The establishment of the file room resulted in a savings of one and one-half

hours a day for each bookkeeper, and also permits her to handle a greater number of accounts.

Streamlined Operations

THE AMERICAN NATIONAL BANK of Nashville, Tennessee, reports that cash letters were formerly described by machine operators both as to endorsement and on whom the item was drawn, which entailed considerable use of machines and experienced operators. At present, adding machines, in conjunction with Recordak photography, is used to prepare cash letters. The bank has found it unnecessary to photograph all items directly sent out; the few which require tracing are handled readily. The consolidation on sending cash letters has lessened the number of items mailed and this requires less sorting and distribution to correspondents.

The problem of keeping machines and other equipment in good repair has not affected this institution. Some time ago the bank fitted up a machine shop in its main office and hired a skilled mechanic to look after all equipment.

Like a good many banks, the AMERICAN NATIONAL has centralized all bookkeeping at the main office. A motorcycle with side car, operated by a regular employee, makes the rounds of the branches regularly for pick-ups.

The most recent innovation at the bank was the opening of an employee restaurant, where meals are served at wholesale cost. Soaring food prices and the lengthening queues at public restaurants are factors which affect an employee's purse and punctuality.

To minimize the tremendous loss of advertising and other literature customarily left on top of customers' counters where dust and "doodlers" contribute to the spoilage, the bank has installed wooden cabinets which keeps the material orderly and gains attention.

(CONTINUED ON PAGE 72)



The Way to More and Better Work

Only efficient tools can be used in the war effort—whether automatic machines or shop instructions. Quality paper, like quality "tools", produce better results faster.

Parsons Papers are helping right now in stepping up production. Faster and better work is being turned out by operating staffs provided with these quality papers fabricated from strong cotton fibers. They increase efficiency, "work" faster, avoid re-typing, and stand up longer where much handling is involved.

Specify Parsons Paper because better paper produces better results, faster.

Ask your Printer or Lithographer about—

Parsons Paper

Specialized for Modern Business

BOND PAPERS

For correspondence, documents and forms of every description

LEDGER PAPERS

For accounting systems, records, certificates and other permanent needs

INDEX BRISTOLS

For machine accounting, index record cards and general uses

TECHNICAL PAPERS

Made to your specifications for all types of special requirements

PARSONS PAPER COMPANY • HOLYOKE, MASS.

L. C. Wetterau, expert mechanic, runs the machine repair shop at the American National, Nashville





W hite collar Crisis —

The clerical manpower (and womanpower) shortage is no longer news. What *you're* interested in is: "How can we eliminate slowness, minimize errors and increase the Bank's all-around efficiency . . . in spite of a depleted staff?"

Here's how: Ask for the services of a Remington Rand Systems representative to discuss with you whatever record-keeping operation

is giving you the most trouble.

Should your problem be that of too lengthy lines at the Tellers' windows, he may suggest Kardex Signature Verification Control.

Kardex, too, exercises *automatic* control over Mortgage and Loan records...the visible signal instantly spotting need for action on payments in arrears.

Kardex has been used with great

success for Central Information Files by many Banking institutions who have found that this is a practical way of improving customer service.

Whatever your problem . . . the Remington Rand Expert has the answers. Call him in for a non-obligatory consultation today! Write or phone our nearest Branch Office (it's probably listed on the Yellow Pages of your local phone directory).

REMINGTON RAND
BUFFALO 3, NEW YORK

BANK OPERATIONS—Continued

Peak Loads

To ease the work of receiving tellers, the LIVE STOCK NATIONAL BANK of Omaha, Nebraska, reports that its staff is required only to enter a depositor's total credit upon presentation of pass-book; no verification of figures is made. Checks with deposit slip are then turned over to the proof department, and if a discrepancy is found, the customer is notified and the deposit slip corrected. Coin deposit envelopes, with a form showing amount, are provided for all commercial customers. Tellers count

this cash when not busy at the window.

Banking-by-mail as a service feature is also being promoted aggressively to avoid crowded lobbies and waiting lines—the bane of a teller's existence. A special by-mail envelope with deposit and receipt form is supplied to all prospective mail customers. The response, says the bank, has been very satisfactory.

Novel Service Charge Plan

THREE up-state New York banks, the CITIZENS BANK and the FIRST NATIONAL BANK of Perry, and the WYOMING COUNTY BANK AND TRUST COMPANY

of Warsaw, recently inaugurated a flat service charge, which is believed to be without precedent.

The plan consists of a flat maintenance charge of 50 cents a month on all checking accounts regardless of size, eliminating restrictions on minimum balances and the number of checks, except that the banks reserve the right to make an additional charge based on analysis in the case of accounts having extraordinary activity or other unusual features.

The charge against accounts is made quarterly in advance and without notice. Accounts closed during a quarterly period receive refunds for the full unexpired months.

According to the banks, the flat-charge service plan was adopted after considering various methods of metered charges which necessarily involve restrictions and "detract from the easy and convenient operations of checking accounts." Say the banks, "We believe this plan will be highly satisfactory."

Bookkeeping Short-Cut

THE JACKSON-STATE NATIONAL BANK of Jackson, Mississippi, reports a beneficial change in its method of handling the staff's monthly payroll records. By using a specially designed payroll journal sheet and a payroll check with a carbon on the reverse side, the bank maintains an itemized account of overtime, regular pay, gross pay, and such deductions as old age benefits, community chest contributions, withholding taxes and War Bond deductions. The carbon check posts this information on a separate ledger sheet for each employee, which makes an easily accessible record of the total earnings, etc., in one concise place. This simplifies the preparation of Social Security returns, etc.

(CONTINUED ON PAGE 75)



Production Lines are Battle Lines

WAR-TIME BANKING SERVICE

—adapted to the requirements
of Correspondent Banks
in serving a Nation at war

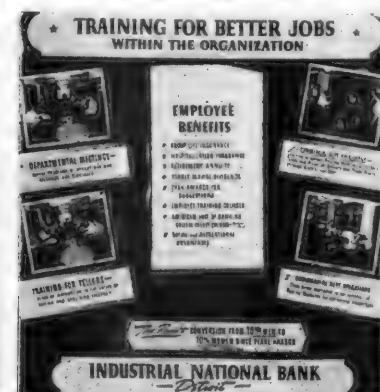


BANKERS TRUST COMPANY

NEW YORK

Member of the Federal Deposit Insurance Corporation

Poster highlighting the benefits of working in a bank, prepared by the Industrial National Bank of Detroit for management convention exhibit





WAR WORKERS ALL



The women who've come from their homes to work as welders and riveters, shipbuilders and airplane makers . . . and those who spend sun-up to sundown on our farms to help feed a heartier eating America—have all had their efforts acknowledged.

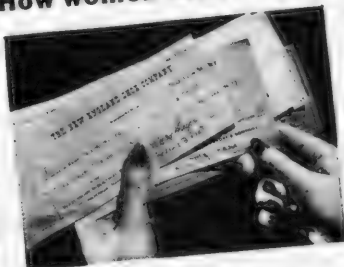
How about a tribute to the women who work

in banks? Banking is an essential industry and women engaged in banking are "women war workers"—deserving of an equal share of the plaudits of a grateful country.

It's time, too, for a salute to the foresight and progressiveness of bankers who've cooperated with the nation's women-power drive and trained and utilized women for the important bank task of "teller".

Let's remember that a war job for a woman is not necessarily limited to work in a war plant. It is any job essential to our civilian economy and our Victory effort.

How women tellers can cash checks faster with fewer errors

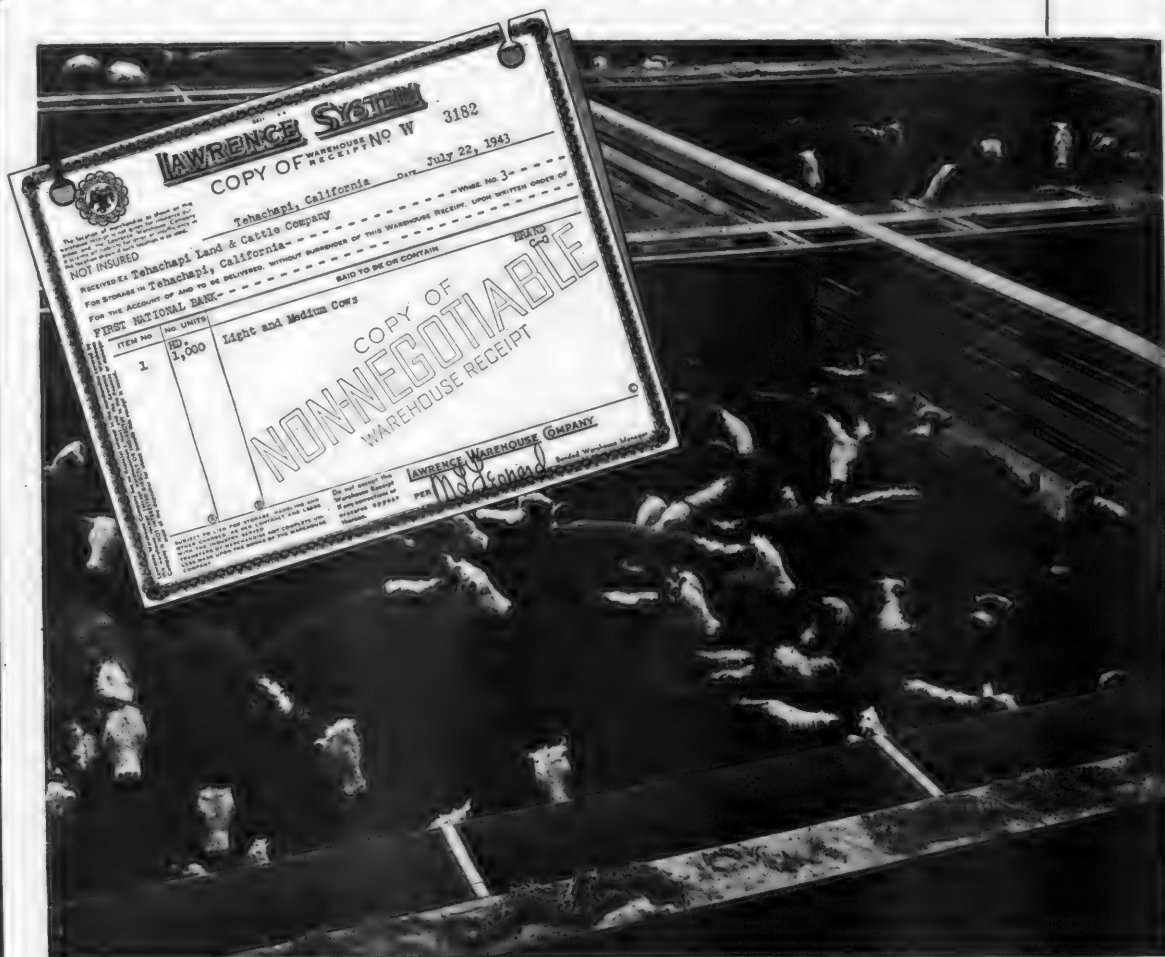


Different colored checks for different corporate accounts speed identification. And pen or typed entries contrast sharply with the background. Increased legibility decreases errors. Write for the Hammermill Safety Paper sample book. Shows the 7 colors and 3 surface designs—easy to write on, all easy to read. Safety Paper Division, Hammermill Paper Company, Erie, Pennsylvania, Dept. B.

HAMMERMILL SAFETY

MANUFACTURER OF PAPER FOR BUSINESS USE SINCE 1899

Livestock or Linters...



Almost Any Inventory Is An A-1 Loan Source

There's a challenge in these crucial times to supply your clients with vitally needed working capital! Enormously increased production schedules have in many cases resulted in important operating funds being tied up in large inventories. Wherever your customers' balance sheets show a large inventory, you may find an opportunity for a sound and desirable loan... backed by Lawrence System warehouse receipts. Practically any marketable commodity from livestock to linters is sound collateral; and with your help can be converted into urgently needed working capital. So check your customers' balance sheets now for these wartime loan opportunities. And if your bank needs the latest facts on Lawrence System field warehousing, contact the office nearest you right away.

LAWRENCE SYSTEM *field warehousing*

FOR BANK LOANS AGAINST INVENTORY



New York: 72 Wall St. • Chicago: 1 No. LaSalle St. • San Francisco: 37 Drumm St. • Los Angeles: W.P. Story Bldg.
Buffalo • Boston • Philadelphia • Kansas City • St. Louis • New Orleans • Charlotte, N.C. • Jacksonville, Fla.
Minneapolis • Dallas • Houston • Denver • Fresno • Portland, Oregon • Seattle • Spokane • Honolulu

BANK OPERATIONS—Continued

Safe Deposit

THE shortage of safe deposit boxes has been causing many banks to wonder how they can accommodate the increasing customer demand for safekeeping facilities for War Bonds and other valuable papers. As rentals exhaust available boxes, many banks have met the problem by issuing receipts for securities to be held in the banks' main vaults. Others shy away from this practice upon recalling the experience after World War I and the trouble encountered in locating proper owners.

One practical solution is suggested by the FIRST NATIONAL BANK and the FIRST STOCK YARDS BANK of St. Joseph, Missouri. These banks are using heavy, fiber expansion envelopes with a patent clasp in much the same manner as the rental of a safe deposit box.

These envelope containers are provided with special locking devices over which seals containing the customers signature are placed. This assures privacy, as the envelope cannot be opened without destroying the signature seal. One compartment in the banks' main vaults stores the envelopes, which are filed numerically, and this gives practically the same safety feature of the regular box.

One record card simplifies the operation of the plan. The face side of the card serves as a contact between the bank and the customer, while the back is used to keep a record of payments for the service. A perforated stub, which is given to the customer, serves as a receipt. It also carries the number of the envelope rented, name, signature, etc.

The procedure for gaining access to the deposit envelopes differs little from the usual routine. The customer receipt is presented and the admission form is signed. When the envelope is redeposited, a new seal bearing the customer's signature is placed over the lock.

In a series of news pictures throughout the remainder of this issue, BANKING recalls a few significant events of the past year. . . . Below, the U.S.S. Yorktown, a casualty of the great Battle of Midway



HARRIS & EWING

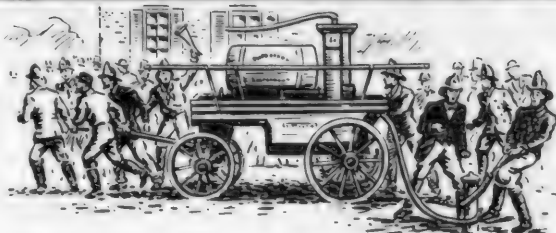
The charge for the service is \$1 for a six-month period. The contract between the customer and bank states that the envelope is to be used only for safekeeping registered bonds, insurance policies and other non-negotiable papers, and a label to this effect is attached to all deposit envelopes. Liability for the contents of individual envelopes is limited to ordinary care and in no case exceeds \$1,000. Insurance coverage has been arranged by adding to the banks' safe deposit legal liability policy an endorsement covering the safekeeping envelopes; the insurance cost being the same

as on safe deposit boxes. The number of envelopes is reported on an annual audit and the premium paid accordingly. The Treasury Department has ruled that such envelopes are not subject to the Federal 20 per cent tax.

Charge on Savings

ONE result of the checking account service charge inaugurated by the MERCHANTS NATIONAL BANK of Mobile, Alabama, some years ago was a steady transfer of small checking accounts to the savings department where activity was not taxed. In the last two years, the

THEY ROSE TO THE EMERGENCY IN 1863



Eighty years ago with the Nation at war, volunteer firemen were performing valiant service on the Home Front. It was in this year, 1863, that Fireman's Fund was founded, taking its name from the historic California fire brigades of that era.

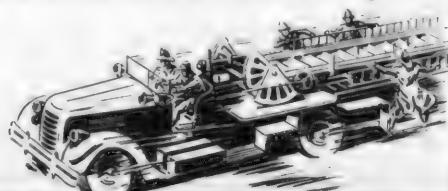
and on the...

HOME FRONT today

On the occasion of Fireman's Fund Insurance Company's 80th Anniversary, the Nation is again at war, this time to keep America free by helping to free the world. And again the Firemen, now specialized in their service, are maintaining, along with sound insurance, the right to feel secure.

For YOUR "Right to Feel Secure" consult your Home Town Agent

**BUY
WAR
BONDS**



Fire • Automobile • Marine • Casualty • Fidelity • Surety

FIREMAN'S FUND GROUP

FIREMAN'S FUND INSURANCE COMPANY
HOME FIRE & MARINE Insurance Company
FIREMAN'S FUND Indemnity Company
OCCIDENTAL Insurance Company
OCCIDENTAL Indemnity Company
SAN FRANCISCO
New York • Chicago • Los Angeles • Boston • Atlanta

DEPENDABLE INSURANCE SINCE 1863

bank reports, this situation has been aggravated by the very large increase in savings depositors as the growth of Mobile, percentagewise, is said to be the largest in the United States. As in the case of many banks, this institution found itself with more cash than it could profitably employ, and the new volume of accounts upped operating costs with no corresponding offset in profits.

To correct this situation a thorough analysis of the savings department was made and the following rules announced:

(1) No interest is allowed on a savings account having a balance of less than \$200. (This mark has been arbi-

trarily set by the bank as a minimum for the "serious" saver.)

(2) If a customer has a balance of less than \$200 and makes a withdrawal during a month, he is charged 25 cents; the second withdrawal in the same period carries no service charge, but each succeeding withdrawal costs the account 10 cents.

(3) A charge of \$1 is made against all savings accounts closed within a year.

(4) The minimum initial deposit was increased from \$1 to \$5.

A similar schedule has been applied to the bank's War Bond safekeeping accounts. A \$3 per year service charge permits unlimited activity up to a total deposit balance of \$3,000 in War Bonds; over this amount \$1 per \$1,000 is charged.

The net affect of the new regulations has saved a considerable sum in interest dividends and induced conscientious savers to build toward the minimum balance. Those accounts which transferred back to the commercial department are less active. In addition, two clerks were freed for other work.

Ends Night Shift

OUT of consideration for its growing staff of women employees, the NATIONAL BANK of TULSA, Oklahoma, recently inaugurated a delayed posting system to avoid the necessity of a night shift. The plan, modeled after what this bank considers the best features of systems in effect in a number of the nation's banks, is said to be far more practical than the conventional schedule.

Under the schedule all items received from the Federal Reserve, clearinghouse and country correspondent banks are sight-paid in the afternoon of the day received, while items from teller's windows are sight-paid on the same morning as received. All items are actually posted on ledger on the following day.

Now the bookkeepers who were obliged to work from 11 A. M. to 7 P. M. are finished at 2:30 P. M. With their

work stacked for the day, actual posting runs smoother; there is no delay in waiting for items from the proof department—a fact which well pleases the staff.

Operation Adjustments

THE MORRIS PLAN BANK of (Richmond) Virginia summarizes the solutions to its wartime operating problems under four points:

(1) A cut of 50 per cent in the use of bookkeeping machines resulted in a change from dual posting to a single posting system.

(CONTINUED ON PAGE 78)

FIRE PREVENTION IS A SAFEGUARD



The Phoenix

Insurance Company, Hartford, Conn.

1854

The Connecticut
Fire Insurance Co., Hartford, Conn.

1829

FOUTABLE

Fire & Marine Insurance Company

PROVIDENCE, R.I.

1859

ATLANTIC FIRE INSURANCE CO.
Raleigh, North Carolina

THE CENTRAL STATES FIRE INS. CO.
Wichita, Kansas

GREAT EASTERN FIRE INSURANCE CO.
White Plains, N. Y.

MINNEAPOLIS F. & M. INSURANCE CO.
Minneapolis, Minn.

RELIANCE INS. CO. OF CANADA
Montreal, Canada



HARTFORD
30 Trinity Street

CHICAGO
Insurance Exchange
NEW YORK

110 William Street

SAN FRANCISCO
220 Montgomery Street



TIME TRIED & FIRE TESTED

FIRST SECURITY CORPORATION

System of Banks

Complete, Efficient
Correspondent Service
in the Intermountain Territory

FIRST SECURITY
BANK OF UTAH
National Association

WITH SEVEN BRANCHES

FIRST SECURITY
BANK OF IDAHO
National Association

WITH FOURTEEN BRANCHES

FIRST NATIONAL BANK
of Salt Lake City

WITH TWO BRANCHES

FIRST SECURITY
TRUST CO.
Salt Lake City

FIRST SECURITY BANK
Rock Springs, Wyo.

MEMBERS OF
Federal Deposit
Insurance Corporation



... Last October, on the eve of coffee rationing, "coffee runs" were familiar sights. In Washington, below, OPA used pickets to discourage hoarders



HARRIS & EWING

★ BUY WAR BONDS ★



"TOP SERGEANT" to 7000 Items a Day



SHE's one of the battalion working behind the scenes in many of the nation's banks — large and small. . . . She's "top sergeant" to some 7000 items every day . . . directing the flow of every penny that changes hands within the bank . . . mechanically proving every individual deposit slip, cash letter, or incoming clearing total while sorting the individual items and establishing controls at the same time. . . . She directs these maneuvers accurately on the "double-quick" because her job is mechanized with a National Central Control and Proof Machine.

This is but one of many mechanized systems built by National to save needed man-hours and to protect money and records for business, industry and government — benefiting both the user and the public.

National Accounting-Bookkeeping Machines may be secured by essential businesses through priorities. . . . A stock of modern used National Cash Registers is also available for business needs.

The National Cash Register Company

DAYTON 9, OHIO

CASH REGISTERS • ACCOUNTING-BOOKKEEPING MACHINES

SYSTEMS INFORMATION • SALES • SUPPLIES • SERVICE • REPAIRS



Wherever records are kept or money is handled, there is need for some product of The National Cash Register Company

344 OFFICES IN
UNITED STATES AND CANADA



★ ★ We proudly fly the Army-Navy "E" with two stars for "unceasing excellence" in the production of precision instruments and other war materiel.

BANK OPERATIONS—Continued

(2) A reassignment of duties for several employees expanded the use of special accounting machine equipment from six to nine hours a day, required by the steadily increasing posting requirements of new wartime business.

(3) In the loan department, where posting operations was formerly facilitated by the use of colored cards designating the various loan classifications, a situation arose when colored stock was

unobtainable. The bank turned back to using a white stock for all files, merely indicating the loan classification with a rubber stamp at the top of ledger cards. This system, the bank says, will probably be permanent as it works satisfactorily at less cost and with less inventory.

(4) Before the war, all posting was done on the same day deposits, checks and loan payments were received. Finding it impossible to maintain that schedule without late hours and overtime in

the midst of a serious personnel shortage, the bank adopted a delayed posting schedule. Sight posting for checking accounts is made on the afternoon items are received, while the physical posting is made on the following morning. Savings deposits and withdrawals are posted the following morning after receipt, and loan payments likewise.

"Almost over night," says the bank, "the confusion ended and our posting operations are now progressing very smoothly."

De-skilled

FROM the CHICAGO TITLE & TRUST COMPANY, Chicago, comes this comment on the manpower situation: "One successful method we have used to relieve the manpower strain has been the de-skilling of certain operations. For instance, in the past we have used men familiar with the technicalities of trust business to take off statistical information. The work is slow and laborious and, due to the shortage of men, it has been difficult to get this important information out on time. We now have a corps of girls to assemble and correlate this information under the guidance of an experienced supervisor."

Turnover

CONSOLIDATED figures on the manpower problem may be used as an overall yardstick of a trend, but individual bank statistics are the one thing which either draws sympathy or envy. Here is a bank—the FIRST NATIONAL BANK of Cincinnati—that has made a comprehensive analysis of its personnel problem:

"We are operating with 10 per cent less employees than a year ago, on a 42 to 44 hour weekly basis, paying time and one-half for overtime. Employee turnover during the past year was about 40 per cent; 37 per cent of new employees remained less than a year. In the ma-

(CONTINUED ON PAGE 80)

... In the Pacific, about a year ago, Americans were joining the Battle of the Solomon Islands. Here Marine reinforcements are landing on Guadalcanal Island



HARRIS & EDING
BANKING



He has a promotion to report. Or a week-end leave coming up. Or it's his mother's birthday.

Evening is about the only time he's free to call and it's important to him.

Will you do your best to avoid Long Distance calls after 7 at night, for the sake of millions of Joes—and Josephines? They'll appreciate it.

BELL TELEPHONE SYSTEM



For that Invasion You've wanted

As our armed forces smash against the Fortress of Europe, the least we can do is to give them our fullest measure of support by providing funds to pay for the planes, guns, tanks they need.

Remember, this is the Invasion you and all other Americans have been hoping for and asking for. But Invasion requires a lot of money. And now in this month of September our Government is faced with the colossal task of borrowing 15 billion dollars in the 3rd War Loan. As individuals all of us must invest to the limit — all we can spare will not be enough.

As to its own participation, The Home Insurance Company is glad to say that —

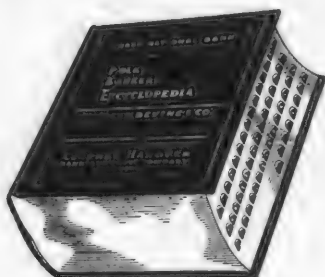
"All new gross premiums collected by The Home for the balance of 1943 are being invested in War Bonds— OVER and ABOVE its normal government bond purchases."

☆ THE HOME ☆
Insurance Company
NEW YORK

FIRE ★ AUTOMOBILE ★ MARINE INSURANCE



Announcing
ANOTHER NEW FEATURE
IN



THE PURPLE BOOK BANK DIRECTORY

AT REQUEST OF BANKERS A
LIFE INSURANCE SECTION
IS INCORPORATED IN
OUR SERVICE COMMENCING
SEPTEMBER, 1943 EDITION



R. L. POLK & CO.

PUBLISHERS
ESTABLISHED 1870

431 Howard St., Detroit 31, Mich.

THE RIGGS NATIONAL BANK

of
WASHINGTON, D.C.

welcomes the oppor-
tunity to be of service
to bankers and their
clients in the Nation's
Capital

Complete Banking and Trust Service

ROBERT V. FLEMING
President and Chairman of the Board

GEORGE O. VASS
Vice President and Cashier

Resources Over \$220,000,000

Member Federal Deposit Insurance Corporation



HARRIS & EWING

... In November the Americans landed in North Africa, in January President Roosevelt and Prime Minister Churchill conferred at Casablanca, and "the end of the beginning" was at hand for the United Nations



BANK OPERATIONS—Continued

majority of cases employees resigned to accept government positions or war plant jobs which pay higher wages.

"The armed forces have taken 6 per cent of our staff within the past year; about 4 per cent resigned to follow their soldier husbands from one camp to another over the country. The total number in service is about 16 per cent.

"Salaries, including overtime, has increased over the last two years on an average of 12 to 18 per cent. In the case of younger employees who have been advancing to various positions, the increase is well above 18 per cent."

Perhaps one should say "c'est la guerre" . . . perhaps this situation is duplicated, even to a more marked degree, in other cities over the country.

Correspondence

No one, to our knowledge, has ever made an over-all analysis of the number of letters mailed daily by an average bank. That "paper-work" is the biggest and doubtlessly the most important medium of banking contact is a reasonable assumption regardless of bank size. If one accepts this premise, then it follows that the physical appearance and the text of a letter is as conducive to good relations as personal appearance and a pleasing personality on the "firing line." What more progressive step could be taken than to develop business letter-writing skill in all employees?

This is the sound theory behind the DETROIT BANK'S latest "Correspondence Manual." Its aim is to improve letter-writing in general, and to remind those using this medium that thought and study are necessary to produce cor-

(CONTINUED ON PAGE 82)

YOU SAVE 3 WAYS

in buying
business machine
supplies under

BURROUGHS DISCOUNT PURCHASE PLANS

1 You save 10% to 40% discounts on some types of supplies beginning with orders for as little as \$10 worth.

2 It is easier to earn discounts, because they are based on combined purchases of various types of supplies; for example, purchases of carbon paper help you earn larger discounts on ribbons, and vice versa.

3 You are assured fresh supplies, without storage problems, because delivery of supplies is made as you need them.

• • •

Burroughs produces high quality roll paper and ribbons for practically all makes of business machines, carbon paper for every need, journal paper and other supplies. For full details concerning prices and terms, call your local Burroughs office or write direct to

Burroughs Adding Machine Company
Detroit 32, Michigan



Burroughs

SUPPLIES FOR
BUSINESS MACHINES

BURROUGHS ADDING MACHINE COMPANY

THREE WAYS to get more out of your Burroughs machines

USE ALL SHORT-CUTS

Make sure operators are thoroughly familiar with and are using all of their machines' automatic features, keyboard controls and other special time-saving advantages. Relieve skilled operators of sorting, pre-listing, stuffing, heading new accounts and other non-posting work.



KEEP THEM IN GOOD CONDITION

Right now you can arrange for regular, periodic inspection, lubrication and adjustment of your Burroughs machines, to safeguard your office from emergency repairs and the delays they entail. A standard Burroughs Service Agreement provides this efficient protection at a moderate, predetermined cost. All work is guaranteed by Burroughs.



USE GOOD SUPPLIES

Your machines will produce more and better work if you use Burroughs carbon paper, roll paper, ribbons and other Burroughs supplies. They are manufactured to the exact specifications determined by Burroughs' experience. They are economical, too, with 10% to 40% discounts for quantity purchases.



Are you taking all these steps to get the most out of your Burroughs machines today? If not, let Burroughs help you. Call the local Burroughs office or write Burroughs Adding Machine Co., Detroit.

Burroughs

ADDING, CALCULATING, ACCOUNTING, BILLING, PAYROLL AND STATISTICAL MACHINES
NATIONWIDE MAINTENANCE SERVICE • OFFICE MACHINE SUPPLIES

MANUFACTURING FOR WAR

The manufacture of aircraft equipment for the Army Air Forces, and the manufacture of Burroughs figuring and accounting equipment for the Army, Navy, U. S. Government and the nation's many war activities, are the vital tasks assigned to Burroughs in the Victory Program.

BANK OPERATIONS—Continued

respondence of high quality and according to accepted modern standards. "Letters reflect the character of an organization."

Exhibits in the manual illustrate composition on various sized letterheads and memoranda, while the text of the letters themselves are actually chapters of instruction. Insistence upon uniformity of salutation, position of date line, margins, etc., not only develop a standard practice but also conserves time and effort.

The manual contains pertinent pointers on negative letters, interest-killers, short sentences, and objective language. Chapters cover punctuation, a standard for writing figures, frequently misused words, and trite and undesirable expressions. Its list of undesirable *worditis*, perfunctory and stilted phraseology, is perhaps its most important contribution as a time-saver on both the mailing and receiving end of bank correspondence.

Compensation

HERE'S a case in a critical labor area

where a bank must compete with the highest paid war industry—plane builders. The FOURTH NATIONAL BANK of Wichita, Kansas—home of four airplane factories—submits this statement on the personnel problem:

"We have met the situation by paying better than the average salaries, replacing men lost to the Army and war plants with high school and university graduates, mostly girls. A year ago in July we anticipated the wage freeze by granting a general 10 per cent salary increase, and later a 10 per cent Christmas bonus. On May 1 we went on a 48-hour week, paying the staff time and a half for eight hours.

"We find our employees are getting practically as much money as they could earn in the airplane factories and certainly working conditions are much more pleasant here. We had a payroll of 148 officers and employees when we went on the 48-hour week, now the number is 126. The reduction is due to the increased hours worked per week, not because of less work. We did not dismiss anyone at the time of the change, but we held off replacements of men called to the service or those resigned for war work."

Hours Factor

BEFORE the war, admits the STATE STREET TRUST COMPANY of Boston quite frankly, its policy adhered to the letter of the 40-hour week; employee hours were checked religiously every week and those showing overtime were required to take time off. For the duration, the bank has relaxed its close supervision of this item. Employees are given the choice of time off, when possible, to avoid overtime, or they may work and receive additional pay as they choose. Psychologically, says the bank, this policy is highly desirable in its effect on employee morale. The bank pays on a straight time and one-half basis in preference to the variable work week.

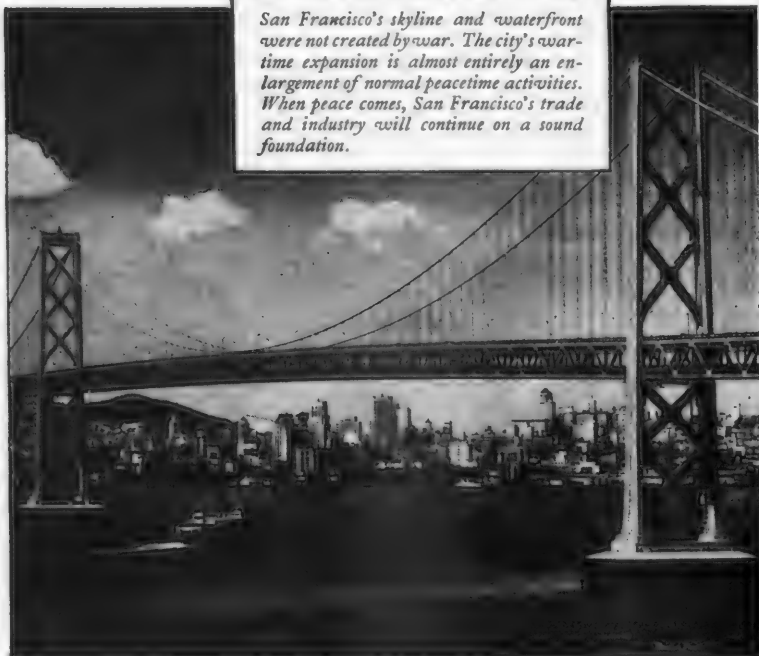
... The first of the War Loan drives opened in December. Below, President Roosevelt buys a bond from Secretary Morgenthau and Under Secretary of the Treasury Bell



HARRIS & EWING
BANKING

THIS FAMOUS SKYLINE TELLS A STORY OF PERMANENCY

San Francisco's skyline and waterfront were not created by war. The city's wartime expansion is almost entirely an enlargement of normal peacetime activities. When peace comes, San Francisco's trade and industry will continue on a sound foundation.



CENTRAL— to the West Coast

Wherever your interests touch the West Coast, Anglo Bank can serve you well. Our San Francisco head office, our network of branches throughout the Great Central Valley, our long-established relationships from Seattle to San Diego provide a unified and complete service of long experience.

[This is Anglo's Seventieth Year]



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Branch Offices in San Francisco, Oakland, San Jose, Bakersfield, Chico, Hanford, Lemoore, Modesto, Red Bluff, Redding.

Member
Federal Deposit Insurance Corporation
Federal Reserve System



**FIDELITY, SURETY AND BANKERS
BLANKET BONDS. BURGLARY, ROBBERY,
FORGERY AND GLASS INSURANCE**



FIDELITY AND DEPOSIT COMPANY

of Maryland . . . Baltimore, Md.

WITH WHICH IS AFFILIATED THE AMERICAN BONDING COMPANY OF BALTIMORE

BANK OPERATIONS—Continued Newsletter

SOME months ago, the FIRST NATIONAL BANK of Leesburg, Florida, issued the first copy of a bulletin, entitled *Straws in the Wind*. It is a choice illustration of how a relatively small bank, with a bit of ingenuity, can publish a business news sheet on par with the best. Vari-typed for attention-getting format, mimeographed for economy, bound like a legal brief, this bulletin goes to all commercial accounts that show a profit in handling.

Most of the text is reprinted, by special permission, from Standard and Poor's *Financial Advisory Service*. To supplement the reprinted text on business and financial trends, the bank offers the use of its library, and particularly its up-to-date reports on stock and bond issues.

When you become a "complimentary" reader of *Straws in the Wind*, the first issue will carry a printed introduction signed by G. G. Ware, president. It tells how, in 1936, President Ware was appointed chairman of the Florida Bankers Association's newly formed Research Committee. Not being a professional researcher, the new chairman decided to gain some experience in his own institution. He found, so the story goes, that more money "flies out the window" because of unprofitable accounts than through the combined losses on loans and other items. The appended note then explains just where the bank stands on service charges. In this way the reader can't help recognizing the

bank's effort to be fair and reasonable. Perhaps one should call it an indirect appeal to maintain an account in the profitable brackets.

Statements

SINCE the monthly account statement has been so successfully postponed a second month, and quarterly in some cases, the PLAINFIELD TRUST COMPANY of Plainfield, New Jersey, tested a new departure on July 1. A notice mailed to individual checking account customers advised that henceforth statements will be rendered *only when activity fills the statement sheet*, otherwise statements will be mailed quarterly. Business accounts were, of course, continued as usual.

As a result, 75 per cent of several thousand customers indicated their wholehearted compliance to the rule.

(CONTINUED ON PAGE 86)

... One of the war's great dramas, the defense of Stalingrad, marked an important turning point on the eastern front. This is a German photo of the city's ruins



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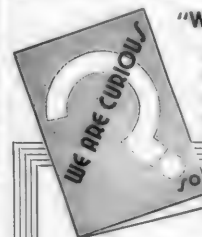
Sample Book Shield-of-Quality CHECKS

Showing a variety of check forms on safety paper with a choice of colors, this new sample book provides a quick, convenient, and accurate way for you to help your customers select and order checks at reasonable prices.

If you are using 3-to-page checks, a request on your letterhead will bring you a copy.

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SPECIAL AID TO BANKS

*in solving wartime
operating problems*

The expansion of war plants and establishment of local Army and Navy bases have greatly increased the services rendered by the nation's banks. New manpower problems have arisen, demanding the training of enlarged staffs.

Manufacturers Trust Company is helping to solve many of these problems by affording an advisory service. This service is founded on our experience in handling increased operations.

We cordially invite inquiries from banks regarding new wartime services or operating problems.

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DEPOSITS OVER ONE BILLION DOLLARS



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Member New York Clearing House Association
Member Federal Deposit Insurance Corporation

BANK OPERATIONS—Continued

Among other time-savers, the bank reports that when proving commercial deposits containing large numbers of checks, duplicate listings of checks are made on an adding machine and only the total amount is entered on the ledger sheet. One adding machine listing is returned to the customer, the other is retained with the ledger sheet.

Movie Bookings

VISUAL education is a fairly well established medium in bank public relations, although the available films on the subject are still inadequate to do the job required. None the less, certain groups are exercising a bit of showmanship to tap new audiences. The SAVINGS BANKS ASSOCIATION OF THE STATE OF NEW YORK, for example, have wrapped their film "Your Dollars—in Uniform" in a package for summer circulation, which ordinarily sees most so-called industrial films shelved.

By offering the loan of the banking film, together with a duplicate of the Department of Interior's new film "Help Wanted," the savings banks are cultivating an eager audience among Civilian Defense volunteers. Both films have been used as visual supplements in O.C.D. training courses.

The second new outlet is war industries, which are continually seeking new recreational programs. All large New York State war plants have been circularized with a free use offer of the banking film and a selection of O.W.I. prints. Through the savings banks association, this offer also includes the supplying of projection equipment by the local bank where other sources are not available. Contact with local industries and the opportunity of acquainting workers with the background story of savings banking compensates the bank for any small expense.

... March 1 brought food rationing. Here three OPA officials examine a now familiar point chart



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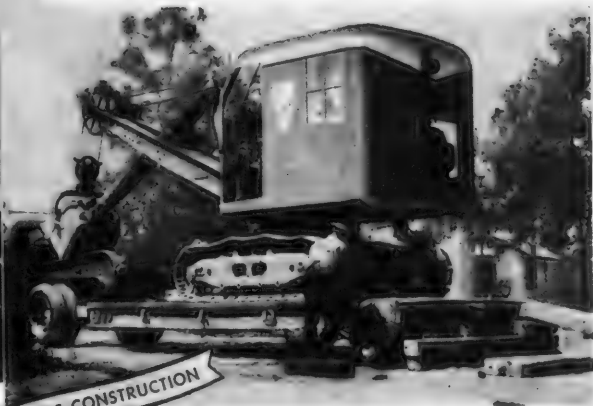
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IT WILL TAKE

Only A Jiffy To Get Back Into Work Clothes



This is our favorite load on a Fruehauf Trailer—a captured enemy tank, in the North African area, being carried to an army salvage depot.



Fruehauf heavy-duty Trailers will handle their civilian work even better than before, thanks to improvements born of war-time service.

WHEN we've fired the last . . and winning . . shot in this war, there will be a lot of work for us here at home, and all around the globe, as well. Heavy work, mostly . . rebuilding, enlarging, new construction . . with much material to move.

Well, as for the heavy moving, it will take us only a jiffy to take off our uniform and get back into work clothes. Heavy-duty Fruehauf Carry-all Trailers, now car-

rying tanks, disabled planes and other heavy equipment, will then carry steam-shovels, ditchers, production machinery and other civilian loads.

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PROTECTION—every hour, every day.
You, as a businessman, may be com-

pensated by your company for injuries sustained while on the job. But if you work 8 hours a day, it means you are unprotected for 16 hours out of the '24. More, your wife and children at home (the most dangerous spot of all) are *totally* unprotected unless covered by accident insurance. Would you like to meet a \$100, \$200, or \$500 medical bill this month?

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- Covers the 120 or more hours per week when you are not protected by company compensation.
- Gives special optional features of \$25 to \$325 for fractures and dislocations. May be written in larger amounts, if desired, or otherwise tailored to suit your specific needs.

Annual Cost,
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WOMEN . . . \$28.25

PROTECTION for your family

- Covers unemployed women or children, 6 years and up, at all times.
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- Provides \$500 benefits for accidental death. This sum will be *doubled* if loss occurs in a public conveyance or under other specified conditions.
- Gives special optional features of \$12.50 to \$162.50 for fractures and dislocations.
- May be written in larger amounts, if desired, or otherwise tailored to suit your specific needs.

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For further information about U. S. F. & G.'s Double Protection Plan, you have only to fill out and mail the attached coupon. But remember, if it took you five minutes to read this advertisement, in that time one person has been killed, 90 injured, through accidents. So don't delay. Fill out and mail coupon.

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The LEGAL ANSWER PAGE



Legal Forms—Dangers

What are some of the dangers to banks in connection with the drawing of legal forms which directors should recognize?

WHILE directors cannot give the time and attention to legal forms for banks which bank officers and counsel must give, they should know the outstanding dangers.

One of the principal dangers is that some clause protecting the bank may be entirely overlooked. The following examples are by no means complete. They will be confined to a few forms commonly, if not universally, used by banks.

A **joint deposit agreement** may omit such protective clauses as:

Authority to receive from one joint depositor items payable to the other joint depositor without the latter's endorsement. If, without such an agreement, an item is received without the holder's endorsement, and the resulting credit is withdrawn by the person making the deposit, the holder may claim that he never intended the unendorsed item to go into the joint account and that the bank is liable to him for participating in the misappropriation of his property.

Authorizing the bank to set off against the joint account, a note or other individual obligation of either of the depositors. The general rule is that such an agreement is necessary to permit the set-off. *Union Trust Co. of Maryland v. Mullineux* (1937) 173 Md. 124, 194 Atl. 823 (deposit "in trust for self" and another by maker of note sought to be set off) and *Nicholas v. Metropolitan Life Ins. Co.* (1941) 137 Ohio St. 542, 31 N.E. (2d) 224. For other specific cases, see annotation, "Right of bank to set off or apply indebtedness of one alone of two or more persons in whose name deposit stands," 103 A.L.R. 493.

Making each depositor liable for an overdraft of either depositor.

A **deposit agreement** may omit a clause authorizing the bank to set off the depositor's unmatured obligations against the account.

A **collateral note form** may omit such protective clauses as:

Giving a subsequent holder of the note the rights given by the note to the original holder, such as the rights connected with the sale of collateral.

Giving a subsequent holder the right to hold the collateral for the general liabilities of the pledgor to him.

Authorizing the owner to hold the collateral for other liabilities of the pledgor on the discharge of the specific obligation for which the collateral was pledged. For example, stock may be pledged for a \$3,000 note and when

this note is paid there may be an overdraft for \$1,000. The bank may be denied the right to retain the collateral for the overdraft. *Garrett v. Bank of Chelsea* (1922) 211 Mo. App. 238, 241 S.W. 87, held that a provision authorizing the application of the proceeds of the sale of the collateral to the liabilities generally of the maker did not authorize the pledgee to hold the collateral for such liabilities after the payment of the collateral note itself.

Specifying the person to whom the collateral is to be redelivered on discharge of the obligation for which pledged, where, under the circumstances, more than one person may claim ownership of or an interest in the collateral.

The collateral note form may also fail to make the collateral security for:

Prior liabilities. Contrary to the weight of authority some cases, such as *St. Lucie County Bank and Trust Co. v. Aylin* (1927) 94 Fla. 528, 114 So. 438, hold that a clause making the collateral security for the liabilities of the pledgor generally does not include past liabilities. However, a specific reference to "past" liabilities should be sufficient.

A **contingent or secondary liability**, such as that as endorser on negotiable paper. Liability as endorser was held not covered by the clause, "any other liabilities of the undersigned." *Perron v. First Nat. Bank* (1939) 289 Mich. 629, 286 N.W. 859. "Indebtedness" did not include liability as guarantor according to *Sharpe v. First Nat. Bank* (1936) 220 Wis. 506, 264 N.W. 245. See the annotation, "Pledge as covering pledgor's contingent liability as secondary obligor," 43 A.L.R. 1069.

Obligations purchased from third persons. An outstanding case, *Gillet v. Bank of America* (1899) 160 N.Y. 549, 55 N.E. 292, held that "this or any other liability or liabilities of the undersigned to the said bank," did not include a note executed by the pledgor bought from a third person.

The general liabilities of pledgor to a holder subsequent to the payee.

The individual obligations of the first maker or the second maker or the individual obligations of each maker of a joint or joint and several collateral note. *Heffner v. First Nat. Bank* (1933) 311 Pa. 29, 166 Atl. 370, held insufficient for this purpose a clause in a joint and several note pledging collateral "for payment of this or any other liability or liabilities to said holder." The court indicated that the decision would have been the same if the clause had specified the liabilities "of the undersigned." Such term was considered to exclude either maker as an individual, and to refer exclusively to obligations on which both makers were liable.

The joint or the joint and several liabilities of the

individual maker of the collateral note. *New Bethlehem Trust Co. v. Spindler* (1934) 315 Pa. 250, 172 Atl. 309, said that collateral pledged for loans to "L. C. Spindler" could not be held for "loans made to L. C. Spindler and others." See in general the annotations, "Other debts or liabilities within contemplation of pledge to secure particular debt and other debts or liabilities to pledgee," 87 A.L.R. 615, and "Right of pledgee to apply securities to debts other than that for which they were pledged," 68 A.L.R. 912.

A power of attorney to sign checks, or an agreement between the bank and the principal in connection therewith, may omit such protective clauses as:

(1) Authorizing the bank to pay an overdraft drawn by the agent. According to the annotation, "Liability of principal for overdraft drawn by agent and paid by bank," 58 A.L.R. 816, banks have in several cases been denied the right to recover from the principal any part of a check overdrawing drawn by an agent. The bank cannot be permitted to recover "upon a mere showing that the principal received the proceeds of the overdraft, where, when demand for restitution is made, the principal cannot be placed in statu quo," to quote from *Arkansas Valley Bank v. Kelley* (1928) 176 Ark. 387, 3 S.W. (2d) 53, 56, 58 A.L.R. 808, 815. Recovery has been denied where the proceeds of the overdraft replaced funds previously misap-

propriated by the agent. *Merchants' National Bank v. Nichols & S. Co.* (1906) 233 Ill. 41, 79 N.E. 38, 7 L.R.A. (N.S.) 752, holding, also, that the failure of the principal to have any one other than the agent check its records did not permit recovery. The underlying theory is that authority to check on a bank account is not authority to borrow from the bank. Such theory will, under certain circumstances, bar a bank from recovering from one joint depositor an overdraft on the joint account drawn by the other joint depositor.

(2) Authorizing the agent to deposit in the principal's account, without the latter's endorsement, items payable to the latter. Without this provision, if the agent deposited such an unendorsed item, he might withdraw the proceeds and the principal might claim that the bank was liable for the misappropriation.

A personal loan agreement may omit a provision by which the accommodation maker or endorser recognizes his liability to pay promptly if the accommodated party should not meet his payments as agreed, although the delinquency may be due to the latter's military service. If a person becomes an accommodation party on the clear understanding that his liability to pay, if the accommodated party does not, is not affected by the latter's military service, there is no inequity in compelling him to make payments as agreed, although the party accommodated is in the service.

A second danger in connection with the legal instruments of a bank is that public relations may be seriously injured by forms which thwart the intentions of the bank's customers. For example:

(1) A bank may permit a customer to open an account "as trustee for" or "in trust for" another person where the customer intends that the beneficiary shall have no interest in the account while the customer lives, that the customer shall have the right to revoke the trust at any time, but that the beneficiary shall become the owner of the account on the death of the customer. On such death some courts hold that the beneficiary takes no interest in the account. The intended object of the customer's bounty may well resent the bank's participation in the transaction which did not work out as planned. A bank should not open an account in trust without reasonable certainty that it will accomplish the customer's purpose.

Next month this department will give a parallel public relations illustration of a deposit in two names which frustrates the purposes of the customers and will discuss a number of other dangers in connection with a bank's legal instruments.



THE GREAT New York fire of 1835 wiped out a number of local fire insurance companies. This catastrophe served as an example to other companies—emphasized the importance of spreading out their risks rather than limiting liabilities to any one community.

The National Union Fire Insurance Company is licensed to transact business in 47 states, as well as in Alaska, Hawaii, Puerto Rico and Canada. During its 41 years of operation, outstanding gains have been

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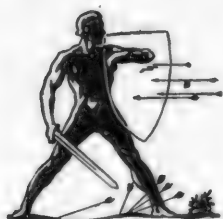
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North of the Border

To implement Canada's war program for 1943-44 many more thousands of men and women must be withdrawn from civilian industry within a comparatively short time. The job of mobilizing and allocating available manpower to the armed services, agriculture, and essential war plants is the responsibility of National Selective Service, an agency of the Federal Government's Department of Labor. During the current fiscal year 100,000 men must be found for the Army, 24,000 for the Navy, and 53,000 for the Air Force, according to the Minister of National Defence. In addition, a shortage in certain vital industries must be met. Farming, coal mining, lumbering and base metal production are among the primary industries also in need of labor reinforcements. Some relief will be provided by the release of between 35,000 and 50,000 workers from a number of war plants turning out *defensive* weapons, etc., whose production program will be discontinued.

The main supply of manpower, however, must be obtained from non-

essential civilian industry. To speed up transference, the Minister of Labor recently published lists of occupations from which workers will be drawn. The first order, issued on May 4, applied to men in age groups previously designated as liable for military training under existing call-up regulations. They were instructed to report to National Selective Service offices before May 20. Em-



... These Marines, relieved on Guadalcanal by the Army, are disembarking at a South Pacific port after months of bitter fighting with the Japs



HARRIS & EWING

ployers as well as employees were made responsible for compliance with its terms. On May 15 a second order instructed all single men and childless widowers in the 19 to 40 age group and all married men from 19 to 25 years who were engaged in certain types of non-essential industry to report not later than June 15. Between 10,000 and 50,000 men were affected by the first order and a still larger number by the second. During the summer months three additional orders have been issued, the latest of which became effective on August 9. Further action will be taken to hasten the transference of workers as soon as National Selective Service can make the necessary arrangements.

Under present mobilization regulations, men between the ages of 18 and 46 who were single or childless widowers on July 15, 1940, and who are medically fit, are liable for compulsory military service. To date only those born between 1902 and 1924 inclusive have been called. Married men between the ages of 19 and 25 are next on the list.

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STATEMENT OF CONDITION JUNE 30, 1943

RESOURCES

Cash on hand and on Deposit with Federal Reserve and other Banks	\$ 77,461,384.93	} \$194,521,755.57
U. S. Government Securities	117,060,370.64	
Other Bonds and Securities		24,392,708.83
Stock in The Federal Reserve Bank		300,000.00
Loans and Discounts		21,660,014.75
Banking House		650,000.00
Other Real Estate Owned		5.00
Accrued Interest Receivable		538,402.04
Other Resources		64,696.44

\$242,127,582.63

LIABILITIES

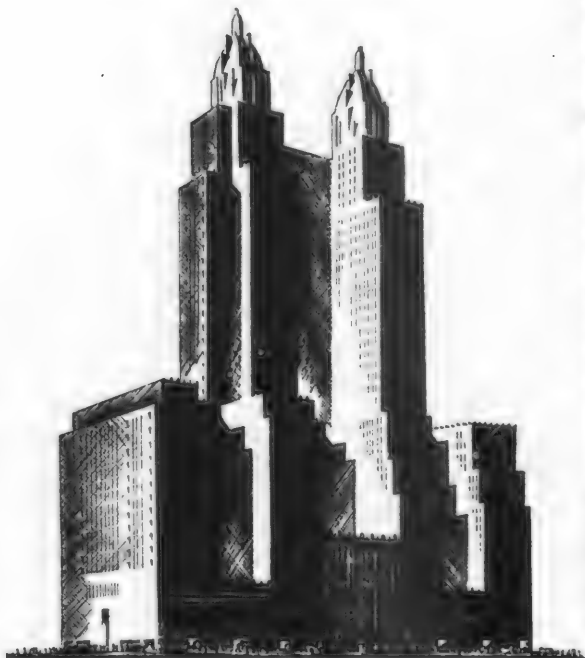
Capital	\$4,000,000.00	} \$ 14,180,722.18
Surplus	6,000,000.00	
Undivided Profits	4,180,722.18	
Interest, Taxes and Other Expenses Accrued and Unpaid		444,264.60
Dividend Payable July 1, 1943		70,000.00
Deposits		227,394,945.68
Unearned Discount		27,822.41
Other Liabilities		9,827.76

\$242,127,582.63



OFFICIAL HEADQUARTERS

American Bankers Association



A.B.A. WARTIME CONFERENCE

September 13, 14, 15

This important meeting again shows the preference that bankers and other business leaders have for The Waldorf-Astoria. The Waldorf is convenient to railway and airway terminals; easily accessible from all New York's financial and business districts. And it's the place, too, for your personal headquarters — homelike rooms equipped with every modern convenience — seven restaurants offering a wide variety of menus, entertainment and prices — and within strolling distance is the smart world of New York clubs, theatres and shops. Send reservations direct to Frank A. Ready, Manager.

THE WALDORF-ASTORIA

PARK AVENUE • 49TH TO 50TH • NEW YORK

Some Withholding

Washington, D. C.

The Bureau of Internal Revenue is receiving several hundred letters a week inquiring about withholding and other features of the Current Tax Payment Act.

It has been noted that few of the letters contain complaints of any sort. As a rule they merely ask for information. A large portion of the inquiries present technical questions as to the application of withholding.

The wide variety of the letters is illustrated in the attached digest of samples.

THE proprietor of a one-chair barber shop in Randsburg, California, asked for "some information as to how to pay my income tax under the pay-as-you-go plan, the proper form to use and how and where to pay it," and requested that the same information be sent to two other proprietors of one-chair shops in his district.

The Bureau of Internal Revenue advised him in detail concerning the requirements on a declaration of estimated tax covering income from sources other than wages, and informed him that the proper forms would be supplied by the Collector of Internal Revenue. Copies of the letter were sent to the two other proprietors.

A HOTEL employee in Sharon Springs, New York, wrote to inquire whether his employer should make withholding tax deductions from tips which he received.

He was informed that tips or gratuities paid directly to an employee, and not accounted for by the employer, were not subject to withholding, but were required to be included in gross income subject to income and victory tax in the employee's final income tax return for the taxable year.

A MERCANTILE concern in Fort Wayne, Indiana, presented the case of an employee who expected his income tax to be greater than the amount collected by his employer under the withholding plan, and who wanted the employer to withhold an additional amount "so that at the end of the year he will have all of his income tax paid."

The concern was informed that the Current Tax Payment Act of 1943 contained no authority for withholding an amount of tax greater than 20 percent of an employee's wages in excess of the withholding exemption. However, it was pointed out, the employee would be required to file on or before September 15 a declaration of estimated tax if his income was expected to exceed certain figures, and any tax due in excess of withholdings and other credits would be payable half on or before September 15, with the declaration, and half on or before December 15. This provision of the new law, the Bureau observed, operated to place on a current tax payment basis persons whose income tax on wages exceeds amounts withheld.

A KENTUCKY newspaper reported that a young man under 18 years of age, unmarried, and slightly deaf, was on its payroll. He lived with his father, the employer said, and required a certain amount of guidance. "The father would like to count this young man as a dependent and collect his wages and pool them with his own earnings and report the total to the revenue department in his income tax reports, including the 20 percent pay-as-you-go tax. Will you please write us if this would be legal, and whether there is a ruling that would

Tax Rulings

release us from collecting the 20 percent from this boy," the newspaper asked.

The Bureau replied that the wages of one person may not be assigned to another for withholding purposes, and that the newspaper would have to withhold the proper amount from the wages of the boy.

A RESIDENT of Ilion, New York, wrote: "Is \$5 paid on July 1, 1943, for a Federal use stamp required on motor vehicles all deductible in the income tax return for the year 1943, or one-half in 1943 and one-half in 1944? Also, please advise me if I am required to file a declaration of estimated tax by September 15 or December 15, 1943."

The Bureau replied that assuming the New Yorker reported his income on the cash basis, the auto use tax payment was deductible in full on the income tax return for the year 1943, and gave the highlights of estimated tax declaration requirements.

A LAUNDRY in a Philadelphia suburb asked whether the withholding plan applied to wages paid employees who worked only during the Summer and attended school the remainder of the year.

The Bureau replied that the withholding provisions of the Current Tax Payment Act applied to all wages in excess of the withholding exemption for a given payroll period, without reference to the individual's total income for the year, and therefore that income and victory taxes must be withheld in the case of the summertime workers.

A LANCASTER, Pennsylvania, resident informed the Bureau that his employer was withholding \$3 per week from his pay, whereas he figured that because of personal exemption and dependency credits he would not owe any income tax at the end of the year. He asked what would be done about the amounts withheld.

The Bureau said that any overpayment shown on his final return for 1943, due on or before March 15, 1944, would be credit against any tax liability shown on the declaration of estimated tax also due on or before March 15, 1944, and that any remainder would be refunded.

AN OHIOAN wrote that his employer, an undertaker, supplied him with living quarters in addition to his salary. He wanted to know whether the value of the living quarters should be regarded as additional compensation for withholding tax purposes.

The Bureau ruled that, under the circumstances, the living quarters were furnished for the convenience of the employer, and that their value need not be included in gross income for withholding or income tax purposes.

A CANDLE manufacturer of New York City asked whether withholding applied to the pay of salesmen working for him on a straight commission basis.

The Bureau answered that the status of the salesmen for withholding purposes depended on their status for Federal employment tax purposes; thus, that if they had been held to be "independent contractors" for Federal employment tax purposes, their commissions were not subject to withholding.

September 1943

OUR 45th



YEAR

Successful Trust Promotion

"Within the month, 6 will have definitely resulted from our advertising program. These opportunities to cement a finer relationship with worthwhile individuals is most helpful to other departments of the bank."

Many such specific reports have come from our customers. Current reports are more favorable than ever — continuing evidence of the effectiveness of properly planned Trust development programs.

*Inquiries and investigations
are welcomed*

The PURSE Company

Headquarters for Trust Advertising
CHATTANOOGA, TENNESSEE

BUY WAR BONDS

A Farm Program for Country Banks

THE importance of food as a weapon of military and economic warfare and the threat to the American system of free enterprise, particularly chartered banking, through the encroachment of government competition have led the agricultural leaders of the American Bankers Association to take several important steps recently looking to a solution of both situations.

A manual setting forth a five-point "Wartime Program for Country Banks" is being drafted by the Agricultural Commission for distribution about September 15. The points covered are:

(1) Support to farmers in their production of the food and fibre needed to win the war; (2) help to farmers in building financial reserves; (3) ascertainment of wartime influences on local sources of farm credit and on the uses of farm income; (4) analysis of facts on opportunities for getting more farm credit business; and (5) improvement of methods in order to increase agricultural loan business.

Under each of these classifications steps are outlined for the guidance of bankers.

Continuing the A.B.A.'s campaign against subsidized and socialized credit, Vice-president A. L. M. Wiggins recently wrote members of the A.B.A. pointing out that there are certain things the Association can do and things it cannot do. Among those it cannot do, he said, is to contact personally a majority of the 435 Representatives and the 96 Senators. "This," he said, "is a job that only the folks back home can do. On banking legislation, it is a job that only you and other bankers can do."

Mr. Wiggins predicted that the "winter session of Congress probably will witness a show-down on the question of government subsidized and socialized credit," and he called upon the bankers to contact their Senators and Representatives and to tell them about the job banks are doing in the war program and of the dangers encountered from government competition.

"Two major fights in the field of agricultural credit are just ahead," Mr. Wiggins wrote. "One is to compel the Production Credit System to pay its

own way. This should be done by eliminating the government subsidy it now enjoys to the extent of the income from \$120,000,000 of government funds which it has been using for the past eight years. The PCA's use \$3,000,000 of income per year from these funds to make artificially low interest rates on loans and to pay expenses and losses.

"Private capital naturally cannot compete with such credit as is subsidized by the Government. Furthermore, other government agencies and employees help drum up business for the PCA's. All of this is at the taxpayer's expense. Advertisements for loans are deceptive and untruthful, claiming a rate of 4½ per cent when the actual cost to the borrower is usually 6 per cent or higher. If a private business followed such a practice, it would quickly feel the hand of government prosecution.

"The second fight is in the field of socialized credit—U. S. Treasury disbursements under the guise of loans through the RACC, the Emergency Crop and Feed Loan Office, and the Farm Security Administration—three separate agencies, three nationwide gov-

HARRIS TRUST AND SAVINGS BANK

Organized as N. W. Harris & Co. 1882—Incorporated 1907 HARRIS TRUST BUILDING, CHICAGO

STATEMENT of CONDITION

June 30, 1943

Resources

Cash on Hand and Due from Banks	\$103,680,055.34
U. S. Treasury Bills and Certificates	82,801,079.95
U. S. Government Bonds and Notes	87,939,865.91
State and Municipal Securities	39,469,904.46
Other Bonds and Securities	45,307,956.86
Loans and Discounts	84,365,366.42
Federal Reserve Bank Stock	450,000.00
Customers' Liability on Acceptances and Letters of Credit	65,224.81
Accrued Interest and Other Resources	1,517,991.30
Total	\$445,597,445.05

Liabilities

Capital	\$ 6,000,000.00
Surplus	9,000,000.00
Undivided Profits	4,806,484.20
Total	\$ 19,806,484.20
Reserve for Taxes, Interest, Contingencies, Etc.	7,429,714.39
Acceptances and Letters of Credit	65,224.81
Demand Deposits	\$393,489,166.54
Time Deposits	24,806,855.11
Total	\$445,597,445.05

\$42,114,800 of U. S. Government obligations and \$301,000 of State and Municipal Securities are pledged to secure \$27,577,459.49 of United States Government Deposits and \$11,172,170.40 of Trust Deposits, and to qualify for fiduciary powers.

Member of Federal Deposit Insurance Corporation

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Buy War Bonds

ernmental organizations, using hundreds of millions of dollars of Treasury funds now sorely needed in the war effort while billions of dollars of bank deposits are starving for opportunities for employment. The least the Government should do is to consolidate these agencies, reduce expenses and costs, and lay down the conditions for loans by act of Congress rather than to give administrators free rein to determine loaning policies. Then, set up simple machinery whereby the money may be provided by banks and other private credit agencies under an arrangement similar to Commodity Credit Corporation loans."

In order that banks may have a factual picture of the operations of the PCA's in their states, the A.B.A. has compiled data for each state showing the volume of loans in each PCA, the number of banks in the area served by the PCA, PCA interest rates—advertised rate, average effective rate, rate needed to pay expenses, rate needed to pay expenses and $2\frac{1}{2}$ per cent on government capital—and government aid to the PCA's. These data for each state have been forwarded to A.B.A. members in the respective states.

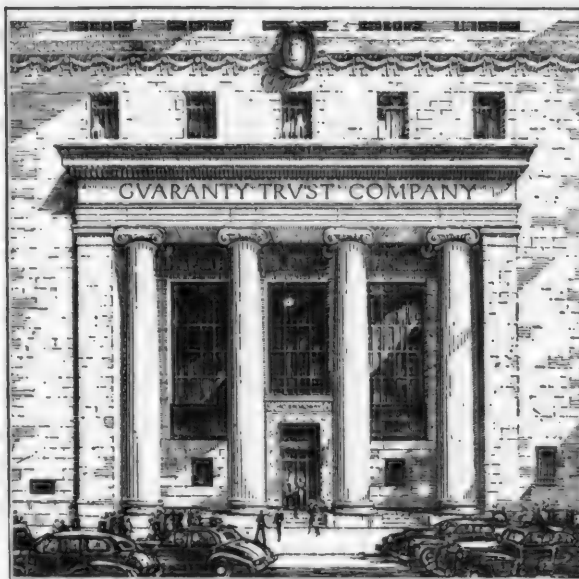
A further step in the A.B.A.'s program to assist banks in gearing their agricultural loan policies to the pattern of the thinking of the farmers is a survey being made by the Agricultural Commission of a selected list of representative farmers throughout the country.

Here are a few of the odd items the Treasury has received from patriotic citizens as a contribution toward winning the war. Among the contributions pictured are a bag of sugar, books, a plaque, silverware, jewelry and coins



WIDE WORLD

September 1943



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service in every phase of
correspondent relationships.

Guaranty Trust Company of New York

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FIFTH AVENUE AT
44TH STREET

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FOUNDED 1884

HEAD OFFICE: MEXICO CITY, MEXICO

70 BRANCHES AND AGENCIES

Total Resources over \$400,000,000.00 (Mex. Cy.)

NEW YORK AGENCY

70 Wall Street

John B. Glenn, Agent

Heard Along Main Street

HERE'S to Private EDMUND L. WHEELER, former clerk for the United States Trust Company of New York, who wanted to save the Yanks some artillery ammunition and so captured a Sicilian town all by himself!

The story of Private WHEELER's exploit was cabled by United Press Correspondent C. R. Cunningham from Cerami, Sicily. Here it is:

"One man walked thru the American artillery barrage and captured this town Friday. He wanted to 'save the division some ammunition.'

"He is tall, blond Pvt. Edmund Wheeler, former New York bank clerk. He belongs to a super reconnaissance outfit which goes in ahead of regular reconnaissance units.

"Wheeler was on a reconnaissance mission about three miles from Cerami when 'I went forward and got lost.'

"Our mission was to locate a German self-propelled artillery piece on our right flank, but the damned thing must have been moved,' he said. 'We kept getting higher and higher in the mountain, and when I got lost I remembered the division's objective was Cerami.

"Our artillery was working ahead of me and I wanted to save them some ammunition if possible. As I got closer to the town on the southeast flank, I saw a man folding a blanket. I knew he must have been a soldier because no civilian would fold a blanket. Then I saw a four-man patrol going into the town to the east.

"By now it was getting dark and I saw a house about three-quarters of a mile outside the town, and when I approached it I heard a lot of kids talking. I went to the house and the Italian family gave me a royal reception, shouting, 'Americano, Americano.'

"I shivered in my boots because I knew there were Heinies about and I thought the shouts would give me away. One old codger lit his pipe, showing me up beautifully in silhouette, and I thought I was a goner.

"I tried to shush them, but there was one old guy there who was drunk. He spoke English and yelled, 'Hello American soldier,' and I had trouble quieting him down.

"This family kept talking to me and fed me eggs, cheese and goat's milk and then asked me if I wanted to sleep there. I agreed if they promised to wake me at 4 A. M. But shortly past



Pvt. Wheeler

midnight I was awakened by the roar of our artillery, which had started again.

"I grabbed my gun and made for the door, where a man and a woman had been on guard duty. They suddenly lighted a lamp which lighted me up like a Christmas tree. I dropped to the floor and scooted to a dark corner like a woodchuck, where I quit shaking and slept another couple hours.

"Then again the artillery started up and the old couple told me it was American. The people in the house just lay in bed whimpering, but being a soldier I started looking for a foxhole. They gave me a sort of hood—I must have looked like The Shadow—and I found a hole and crawled in.

"Early in the morning I heard a heavy explosion followed by the noise of trucks and figured the Heinies were pulling out, so I went back to the house. The old guy had sobered up and I sent him into the town to look around.

"He came back and said the Heinies had gone, but the Americans still were shelling. I started for town. I didn't

want this to be another Enna if I could help it, and I figured maybe I could send a message back saying I was in the town and that the shelling should be stopped and reinforcements sent in.

"The only German in the town was a straggler. I made him a prisoner, and as I started out of the town with him I ran into the Ninth Division. I stopped at the house and they were tickled to see my prisoner. Then I started hitchhiking back to my outfit.

"I sure had a lot of fun."

Apparently Private WHEELER's thrifty desire to conserve ammunition was quite in character. His mother, Mrs. Nelson Wheeler, interviewed at Old Chatham, New York, said he had always been "very saving."

He left his job in the United States Trust Company of New York the day after Pearl Harbor to enlist in the Army.

Lieutenant ARTHUR PEEBLES (National City Bank of Cleveland) writes about life and scenes in North Africa, and adds a postscript:

"All of North Africa is beautiful beyond my ability to describe it. There is not a tree to be seen in all directions except, of course, toward the sea. The natives, being both the French and Arabs, raise wheat and grapes and that is about all you can see from the top of the mountain where we are bivouacked. The grapes form great green patches and the wheat great patches of yellow. Everything is very primitive. For example, the wheat is cut by hand and bound into bundles. It is then threshed by driving three or four horses over it in a large circle. The straw is pitched into

(CONTINUED ON PAGE 100)

At Southern Secretaries Conference, Edgewater Park, Mississippi—Left to right, front row, Messrs. Rice, Malone, Bowman, Wayne, Adams, Didier and Roper; back row, Messrs. Lewis, Wilson, Huddleston, McFadden, Power, Mrs. Knight, Messrs. Marshall, Rogers and Alexander





Irving Trust Company
Building, One Wall Street

THE WAR SERVICE MEETING

An Opportunity for Banking

THE War Service Meeting of the A.B.A. this year — the first general meeting since Pearl Harbor—may well be the most important in the history of the Association.

Much has been said in the last two years of the contributions made by the Armed Forces—by Industry and Agriculture—by Labor and Management—to the war. Comparatively little has been heard, however, of the unobtrusive part of Banking in the struggle. Yet the services banks have performed—and will continue to perform—are indispensable to success.

The War Service Meeting provides to American bankers an opportunity to show the vitally important role which banks are playing in the fight for national existence—an opportunity to demonstrate that banks, from coast to coast, are working in every way in their power to help the nation win through to Victory.

IRVING
TRUST COMPANY
New York

Member Federal Deposit Insurance Corporation

MAIN STREET—Continued

the air with a fork and the wind blows the straw to the side of the circle, leaving the grain on the ground.

"Horses are the rule rather than the exception and even in the larger cities most of the vehicles are horse, mule, camel, or donkey drawn.

"Every Arab, regardless of how poor he is has a donkey which he rides and which his wife follows on foot (not a bad idea).

"The towns are interesting, if not beautiful, and some of the larger cities are very beautiful. Rabat, a city in

Morocco, is the most beautiful and modern city I have seen anywhere. They have, and have had for some time, architecture that has come to the States only in recent years. One thing they do not have is the modern conveniences we would find it hard to get along without. . . .

"P. S. One more thing—we take our laundry into a small town close by and a French girl does it. She does not wear shoes but you would be surprised how often we have to take laundry in. We could have one of the men take it down but what's the use, what's the use."



BANCO DE CREDITO DEL PERU

HEAD OFFICE: LIMA

Capital S/.14,000,000.00

Reserves S/.18,082,796.60

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Information about Peru*

Through our 35 Branches situated in the most important commercial centres, and our Agents in all other towns in the Republic, we are in close touch with every phase of economic activity in Peru, and thus are well equipped to render helpful service to all American institutions interested in Peru.



Peru's Oldest National Commercial Bank
Established in 1889

Second Lieutenant RAYMOND E. MURRAY, United States Army Air Force, formerly a member of the American Bankers Association staff, died in July following an air accident near Roswell, New Mexico. Formerly with the Bankers Trust Company in New York, he joined the A.B.A. family on April 14 1940, entering the service in January 1941. He was 25 years old.



Lt. Everett R. Sommerville, former teller at Bank of America's Laguna Beach branch, is shown being decorated by General Emmons. Details of his exploits were unavailable at press time

J. G. O'BRIEN, vice-president of the Commercial National Bank, Shreveport, Louisiana, and a veteran of World War I, has been promoted from the rank of major to that of lieutenant colonel, the War Department announces. He is serving at an American base in the South Pacific.

Decorated by Great Britain four times in the last war, Colonel O'BRIEN was inducted into the Army as a major July 27, 1942, and a month later was on his way across the Pacific.

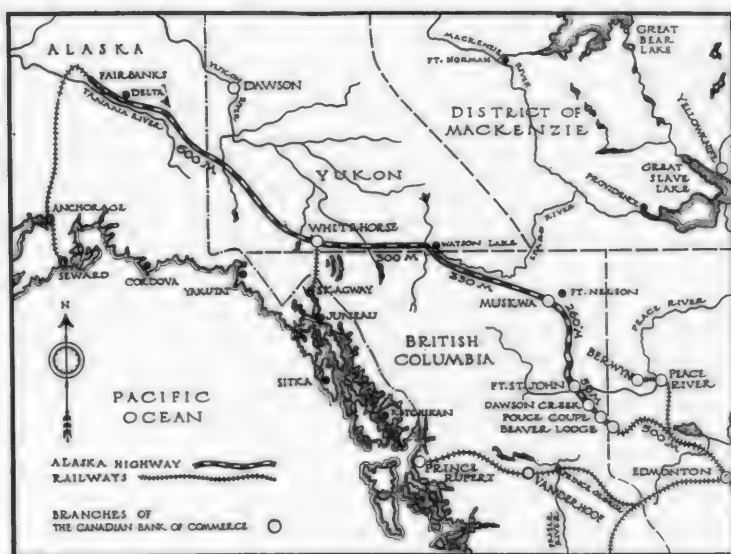


After service in World War I, he spent seven years as a banker in Chicago, finding time to attend a law school in that city. In 1926 he moved to Shreveport to accept the vice-presidency he now holds.

(CONTINUED ON PAGE 102)

From the Sub-Arctic to the Tropics

BANKING IN WAR AND PEACE



EVEN BEFORE the establishment of its New York Agency in 1872, The Canadian Bank of Commerce was a factor in international trade, buying bills of exchange drawn in the United States against cotton and other exports and selling its own bills drawn on its London correspondents.

In the Spanish-American war this Bank, through its Manila correspondents, carried out many transactions for the United States Government, including payments to the armed forces.

In the First World War the Bank assisted in carrying out many national and international transactions, such as shipments of munitions and supplies and loans to the Allied Governments. The San Francisco branch rendered a unique service during the two last years of the conflict when it handled nearly 40 per cent of the immense shipments of American silver then being made to India.

IN THIS, the Second World War, the Bank is carrying out its full share of the financial tasks necessitated by so great and unprecedented a conflict.

Today from the sub-arctic to the tropics it is being called upon to do special work in connection with the war. Its branches from White Horse in the Yukon to Edmonton in Alberta — some of them sub-agencies established for this very purpose — bring banking services to the camps of the men who are building the strategic Alaska Highway. In far-off Trinidad its Port of Spain branch brings a similar type of service to the builders of the great new naval base there.

To its customers and correspondents, in Canada or elsewhere, The Canadian Bank of Commerce provides a banking service which is the result of over 75 years of experience gained in both war and peace.

THE CANADIAN BANK OF COMMERCE

Head Office: Toronto, Canada

SIR THOMAS WHITE, G.C.M.G., *Chairman of the Board* A. E. ARSCOTT, *Executive Vice-President*

S. H. LOGAN, *President*

S. M. Wedd, *General Manager*

NEW YORK

PORTLAND

SEATTLE

SAN FRANCISCO

LOS ANGELES

MAIN STREET—Continued

During his banking career he has been state vice-president of the A.B.A. National Bank and Trust divisions and chairman of the trust division of the Louisiana Bankers Association.

In Shreveport he was chairman of the aviation committee of the chamber of commerce and a member of the boards of the country club and the Shreveport Little Theatre.

A native of Nelson, New Zealand, Colonel O'BRIEN served with the New Zealand Expeditionary Force from 1914 to 1918 and saw action in Egypt,

Gallipoli, Turkey, France, and Belgium. He was in numerous major engagements on the Western Front, receiving the Meritorious service medal, the Mons star, the British war medal and the victory medal.

Mrs. O'Brien is living in Shreveport with their son, John Morgam O'Brien, 17, a student at St. John's College, Shreveport.

Four days after he left his post in the Times Square branch of the National City Bank of New York, Lieutenant-

Colonel HARVEY S. GERRY of the royal Spahi regiment rolled into Sfax, Tunisia, with the British 8th Army. He is attached to the U. S. Army Air Forces, and appointed civil affairs officer for Tunisia, responsible for putting back into French hands the civil administration of territory liberated from the Nazis.

Colonel GERRY was graduated from Cornell in 1924, served in the U. S. diplomatic corps of the State Department in various capacities in South America and London. He joined the National City Bank in 1929, and later became sub-manager of the National City's branch in Paris and manager of the bank's West End branch in London.

His four-day trip from New York to the North African front was a hazardous jaunt. He went by bomber to Scotland, and while en route from Scotland by boat he was torpedoed and lost all his possessions.

Sometime before the fall of Bizerte and Tunis, Allied Headquarters reported that Lieutenant EDWARD T. WATERS, formerly with the Detroit Bank, shot down an Axis plane while he was escorting a Mitchell bomber on one of the "softening up" expeditions. Eddie was flying a Lightning fighter plane.

The Teller, Detroit Bank's staff magazine, makes this comment: "No praise is too great for Lieutenant WATERS. To think of this ex-choir boy, devout church member, and the politest clerk the bank ever had, grimly engaging enemy craft in combat over foreign territory certainly makes our own personal war efforts seem puny by comparison."



Corporal GORDEN LAWHEAD of the First National Bank of Memphis, writes in the employee magazine, *Bank Notes*, from the African theatre:

"I hope that someone in the bank is keeping a history of the World War II campaigns. When you're in these things you never know what's going on. Conversation is limited to: 'In Philadelphia, Brooklyn, Chicago, Memphis, Jacksonville, we used to do this and that,' or 'Boy, when this war's over I'm going to (you name the town) and paint it red,' or 'I'll

GEARED TO WARTIME NEEDS

FULTON CORRESPONDENT SERVICE

FULTON NATIONAL
ATLANTA *Bank* GEORGIA

Out-of-Town Banks

Out-of-town banks and bankers will find here complete banking facilities for prompt and economical handling of accounts in Chicago. We would appreciate the opportunity of serving you.

CITY NATIONAL BANK

AND TRUST COMPANY of Chicago

208 SOUTH LASALLE STREET

(Member Federal Deposit Insurance Corporation)

bet you 50 bucks the war is over by March 17, 1944.' So you see, our conversation is somewhat limited.

"Life is pretty funny these days. One handkerchief per week, one undershirt per month, and a clean uniform every two months. However, I still dimly remember that one bathes and has a clean shirt every day in polite society—so don't worry my best friend.

"Making one's self understood here is somewhat of a problem because of the lack of French-English dictionaries. I manage to get along fairly well with the aid of French, Spanish and much use of hands. However, I still haven't learned that phrase in Arabic which means, 'Get the h—l out.'

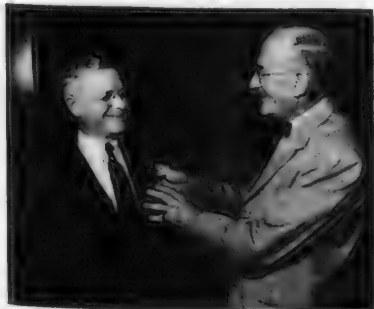
"Propriety keeps me from relating some of my experiences, but I can tell you the story of the Arab, the burro and a lump of sugar.

"We were trying to wheedle down an Arab on his price for eggs (four francs per egg—about a nickel). One of the boys thought a friendly gesture would be to give his burro a lump of sugar and proceeded to do so. The animal bluntly refused, but our persistent buddy opened his mouth and shoved in the sugar. The Arab gave a heart-rending screech, opened the burro's mouth and proceeded to sweeten his own tooth, while a smile of satisfaction cracked his grimy face.

"The Red Cross issue of paper is running out, so I leave you to the pars and non-pars, OD, cash tickets, etc. . . ."

In recognition of his 50 years of public service, FRED I. KENT, director of the Bankers Trust Company, New York, and chairman of the A.B.A. Commerce

Thirty-five employees, 10 of them women, recently formed a Quarter Century Club at Central National Bank, Cleveland, each receiving a gold button as insignia of membership. The button has on it the bank's eagle emblem and the numeral "25" is inlaid on a field of blue in the center. Above, Vice-president F. C. Schlundt, club president, affixing a Century Club button to the lapel of Arthur C. Berry of the audit department, 33 years with the bank



and Marine Commission, was honored this Summer at a luncheon given him in New York by 100 friends and associates who are leaders in the city's industrial and business life.

Mr. KENT, chairman of the Post-war Planning Committee of the Commerce and Industry Association of New York, Inc., is also chairman of the council of New York University. Thomas J. Watson, president of International Business Machines Corporation, presided at the luncheon.

York's employee magazine, *Number Eight*, sent a questionnaire to the bank's service men asking for interesting information about themselves. Out of one batch of 225 replies it was learned that 154 of the men had been promoted since they put on Uncle Sam's uniform; 72 had seen overseas service; 99 had gained weight; 26 had lost weight; 82 said they were in better health; 13 had received citations; 10 mentioned an improvement in their outlook on life; 81 complained of a lack of mail.

The National City Bank of New

The Association of Bank Women at

A Pleasant and Profitable Convention to You —

members of the American Bankers Association in session in New York City on September 13th-15th.

You are extended an invitation to call upon us while in the city. It is always a pleasure to review acquaintances with old friends and make new friends.

AMERICAN SURETY COMPANY
NEW YORK CASUALTY COMPANY

100 Broadway, New York 5, N. Y.

FIDELITY • SURETY • CASUALTY

its 21st annual meeting to be held September 11, 1943 in New York City, will again present the Jean Arnot Reid Award of \$100 to the most outstanding woman graduate of the standard course of the American Institute of Banking.

The winner is chosen from the 10 young women graduates with the highest average and this year the candidates are: MARGARET MCKINLEY, Union National Bank of Clarksburg, West Virginia; KATHERINE KAUFMAN, Commercial National Bank, Kansas City, Kansas; NELLIE CRAWFORD, New First National Bank, Marietta, Ohio; MARGARITA P. FOLKS, National Bank of

Commerce, San Antonio, Texas; VIRGINE M. HARTEL, San Francisco Bank, San Francisco, California; ALMA K. SPROUSE, First National Bank, Alexandria, Virginia; DOROTHY HENNESSEY, First National Bank, North Tarrytown, New York; HELEN KOLCZYNSKI, Franklin Square National Bank, Franklin Square, New York; STEFANIA DOBROCHOWSKI, Lincoln-Alliance Bank & Trust Company, Rochester, New York and ELIZABETH LEITCH, Manufacturers National Bank, Detroit, Michigan.

This award was established in 1936 in honor of Jean Arnot Reid who in 1921 helped to found the Association of

Bank Women and who became its third president.

The purpose is to assist and encourage women in banking to forge ahead in their profession and the Association is eager for them to take advantage of the splendid educational program offered by the American Institute of Banking.

Blood Donors

More than 900 members of San Francisco bank staffs donated pints of blood during the recent Bank Employees' Blood Donation Campaign. All banks in the city participated in the drive which was the first of its kind in San Francisco.

Contacts in Cleveland



A long established policy of specialization in commercial banking keeps this bank in close touch with major industries and wartime conditions in the busy Cleveland industrial area.

Quite often, we are able to assist out-of-town customers in establishing needed contact with key business and industrial executives within our large sphere of acquaintance.

You are invited to write or call upon us in Cleveland.

THE NATIONAL CITY BANK OF CLEVELAND

Euclid at East Sixth  and Terminal Tower

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

The Controllers Institute of America announces that these bank controllers or auditors have been elected officers of their local organizations:

RAYMOND G. MARX, Riggs National Bank, president, District of Columbia Control.

WILLIAM WEBSTER, Bankamerica Company, president, San Francisco; OWEN T. JONES, American Trust Company, and WILLIAM T. WERSCHKULL, The San Francisco Bank, directors.

CHARLES R. KEOUGH, American National Bank at Indianapolis, vice-president.

WALTER S. MARCH, Central Trust Company, secretary, Cincinnati.

WILLIAM E. SCHEIBLER, Union Trust Company, Pittsburgh.

CHARLES C. LOONEY, Harris Trust & Savings Bank, secretary, Chicago; L. H. HAMMERSTROM, Continental Illinois National Bank & Trust Company, director.

HERBERT L. SIMMS, Bankers Trust Company, director, New York City.

J. RAYMOND SMITH, Northwestern National Bank & Trust Company, Minneapolis, director, Twin Cities.

OTTMAR A. WALDOW, National Bank of Detroit, director.

R. C. HUELSMAN, First Wisconsin National Bank, director, Milwaukee.

KARL M. HAENDLE, First Trust & Deposit Company, director, Syracuse.

CLARENCE H. LICHTFELDT, First Wisconsin National Bank, director, Milwaukee.

Have You Heard?

DAVID E. SIMMS, immediate past president of the American Institute of Banking, is now assistant manager of the Seattle branch of the Federal Reserve Bank of San Francisco. He formerly was assistant manager of the Salt Lake City branch.

ROBERT H. HOBBS, formerly special assistant to the Secretary of the Treasury, has been elected assistant vice-president of the Bankers Trust Company of New York.

HAROLD H. HELM, vice-president and director of the Chemical Bank and Trust Company, New York, is vice-chairman of the New York Committee of the National War Fund.

CARL K. WITHERS, president of the Lincoln National Bank of Newark, New Jersey, has been made chairman of the Newark Defense Council, an organization of more than 10,000 volunteer workers.

Major FREDERICK K. TRASK, Jr., and RICHARD H. WELLS have been appointed assistant vice-presidents of the Farmers Deposit National Bank of Pittsburgh. Major TRASK, on leave from the bank, is liaison officer in charge of Regulation V loans in the Tenth Federal Reserve District, Kansas City. Mr. WELLS has been an officer of the State-Planters Bank and Trust Company of Richmond for several years.

GORDON LYNN is now vice-president and trust officer of the First National Bank in Palm Beach. He had served as assistant trust officer.

RUSSELL M. DAANE, executive vice-president of the Plymouth (Michigan) United Savings Bank, has been commissioned a lieutenant in the Navy. He was assigned to Babson Institute, Babson Park, Massachusetts. Lt. DAANE is a member of the Committee on Real Estate Mortgages, A.B.A. Savings Division.

ARTHUR W. DEIBERT has been promoted from assistant cashier to assistant vice-president of The National Shawmut Bank of Boston. He is a Graduate School of Banking alumnus and an instructor for the A.I.B.

Mr. Trask

Mr. Wells



Erland Boyette, president, First National Bank, Peterborough, N. H., is one of few East Coast men who can go pleasure driving (before Sept. 1) without running head-on into his ration board. He charges the batteries of his 1904 electric "jeep" by current from a water-driven generator



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We are thoroughly prepared to speed credit transactions and render full cooperation in the exchange of all banking services with correspondent banks.

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MEMBER FEDERAL RESERVE SYSTEM

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

The Outlook From Washington

(CONTINUED FROM PAGE 22)

Reserve System Expanding Research

WHAT may be termed the Federal Reserve System's new economic policy is getting under way. This is the policy of strengthening the economic research staffs of the Federal Reserve banks. The program has been under discussion for some time.

The 12 Reserve banks, it is believed, have an important role to play in re-

gional economic studies and post-war education. OWM Director Byrnes, moreover, thinks the Reserve banks, because of their regional contacts and non-political character, can pull a stronger oar in the anti-inflation fight, through educational work.

Not the least of the reasons behind the strengthening of the banks' economic staffs is the fact that membership in the Federal Open Market Committee now rotates among the presidents of the

various Federal Reserve banks, with the New York bank always represented. When a Federal Reserve bank president serves on the committee, the corresponding economist is designated as "associate economist" to advise the president in connection with the committee's work. Open market operations have grown in importance as the public debt has grown, and a great deal of the System's work now stems from the open market committee.

Looking to the post-war period, the strengthening of the economic staffs will doubtless prove to be a wise move. Much study has to be given to central banking functions. The economic staffs are regarded in the System as two-way channels of information, informing the public of the System's policies and ideas, and bringing to the Reserve banks information on conditions and requirements of their regions. The staffs are bringing together much information on the war's impact on the 12 regions, and are studying it with the post-war in mind.

An example of the new policy was the announcement by the Federal Reserve Bank of Cleveland in August of the appointment of three senior economists to carry out the expanded research and public relations program which is being inaugurated in the Fourth Federal Reserve District.

"In view of changes that have occurred recently, many of which are neither of a temporary nature nor an outgrowth of the war, it is felt that a strengthening of the research and public

CENTRAL HANOVER BANK AND TRUST COMPANY NEW YORK



Statement of Condition at Close of Business June 30, 1943

ASSETS

Cash and Due from Banks	\$295,160,610.26
U. S. Government Securities	941,132,087.33
State and Municipal Securities	21,456,476.44
Other Securities	15,591,466.89
Stock in Federal Reserve Bank	2,430,000.00
Loans and Bills Purchased	242,949,006.35
Real Estate Mortgages	5,424,386.34
Banking Houses	14,124,009.00
Other Real Estate	678,759.74
Interest Accrued	2,354,669.60
Customers' Liability Account of Acceptances	1,517,378.32
Total	\$1,542,818,850.27

LIABILITIES

Capital	\$21,000,000.00
Surplus	60,000,000.00
Undivided Profits	20,239,673.18
Reserves:	
Taxes, Interest, etc.	6,018,219.55
Dividend:	
Payable July 1, 1943	1,050,000.00
Acceptances	1,565,114.67
Deposits	1,432,945,842.87
Total	\$1,542,818,850.27

There are pledged to secure public monies and to qualify for fiduciary powers

U. S. Government Securities \$209,549,806.08

Member Federal Deposit Insurance Corporation

. . . During the Spring, Congress debated (and the country waited hopefully) a pay-as-you-go tax plan, including that proposed by New York Federal Reserve Bank Chairman Ruml. Seventy-five per cent forgiveness was finally voted. Below, Mr. Ruml, left, and Chairman Doughton of the House Ways and Means Committee



PRESS ASSOCIATION
BANKING

relations aspect of Reserve bank operation is imperative," the bank announced. The stated objective of the Cleveland bank's program is to study intensively economic and financial problems of the Fourth Federal Reserve District so that the bank will be in a better position to know all the facts that have any bearing on Fourth District economy. While this work is not to be considered as "post-war planning," if the bank is in a position as a result of such research to disseminate background information and factual material having a direct bearing on various regional aspects of the national economy, it may be able to make a valuable contribution to some of the post-war planning efforts.

The new program "includes dissemination of factual material through expansion of a public relations program involving visitations by the economists with bankers, conducting of forum meetings and the addressing of interested groups on various economic and financial subjects." The expanded research work will be divided into three parts—agriculture and farm credit, banking and finance, and commerce and industry—representing the diversified economic interests of the Fourth District. One important research project will be to ascertain the effect of industrial expansion and shifts resulting from war preparation on various phases of the Fourth District's activity.

New Treasury Adviser

ROBERT E. McCONNELL, until recently president of the General Analine and Film Corporation and previously chief of OPM's Division of Conservation and Substitution, has recently joined the staff of Secretary of the Treasury Morgenthau to study special problems of interest to the Treasury's fiscal officials.

Chicago Stabilization Meeting

DUE to the enterprise of Chairman Simeon E. Leland of the Federal Reserve Bank of Chicago, there was scheduled for that city on August 26 a precedent-breaking meeting at which the authors of the British, Canadian and American stabilization plans met with the boards of directors of the Federal Reserve banks of Chicago, St. Louis, Cleveland, Minneapolis and Kansas City, as well as representatives of practically all the other Federal Reserve banks.

What began as a regional effort to get an authoritative insight into the three major currency plans turned out

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Time and work by using
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Sending Points

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Capital and Reserve, \$36,000,000

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PAUL CLEMENT, *Secretary*

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Minneapolis 4, Minnesota

to be an educational effort of interest and value to the whole Federal Reserve System. Invitations were extended by Dr. Leland to the presidents, chairmen, vice-chairmen and economists of all the Federal Reserve banks, as well as to representatives of the Board's staff.

In addition to his position as chairman of the Federal Reserve Bank of Chicago, Dr. Leland is head of the department of economics at the U. of C.

Victory Tax and Forced Saving

THE Treasury, which is now at work on recommendations to Congress for simplification of taxation and its collection would like to do away with the Victory Tax. That tax, however, has its friends on Capitol Hill. Recently the Treasury released a speech by its legislative counsel, Stanley S. Surrey, which states: "The recently introduced Victory Tax, with its different concept of taxable income and its different personal exemptions, is a barrier to a simple tax form."

The staff of the Congressional Joint Committee on Internal Revenue Taxation, on the other hand, has published a monograph in defense of the present Victory Tax as a temporary revenue producer. In fact, the monograph looks hopefully to an increase in the Victory Tax. Citing the postwar-credit feature of this tax, the authors point out that the Victory Tax "affords the best model for a simple compulsory savings plan. . . . If we adopt a compulsory savings plan, there is merit in using for that purpose a tax which is familiar to all and in good working order rather than in experimenting with an untried and probably more complicated method."

. . . In May Mr. Churchill was back in Washington for conferences on basic war strategy. He addressed a joint session of Congress



HARRIS & EWING

Planning Coordinator at Treasury

ROBERT E. McCONNELL, until recently president of the General Aniline and Film Corporation and before that chief of OPM's Division of Conservation and Substitution, has joined the staff of Secretary of the Treasury Morgenthau to study special problems. As we go to press, no official announcement has yet been made concerning the nature of Mr. McConnell's studies, but unofficial information is that he will attempt to coordinate the post-war studies of various government agencies.

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to be of service to cor-
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Britain's Smoother Ration Process

TO CITIZENS of the U. S. A. who are now having to cope with rationing problems on a scale never previously envisaged, the ease with which Britain has instituted and maintained her general economic control, must appear surprising.

Apart from the psychological background, which is important in nationwide schemes such as rationing, Britain enjoyed certain advantages. In the first place her rationing was developed gradually before commodities got really scarce, whereas the U. S. A. during 1940 and 1941, though not at war, was superimposing a war economy on a peacetime base; hence when war did become an actuality it was necessary to act quickly in the cutting down of civilian supplies.

Secondly, the fact that Britain is compelled to import a large volume of her food supplies has been of material help in the instituting of official controls. The Ministry of Food, acting on its own behalf or through its authorized agents, has become in practice the only importer. Thus all supplies reaching the country are under control from the moment they are shipped until they reach the consumer. This is far simpler than trying to control thousands of primary producers scattered over a vast expanse of territory. The British Ministry of Food has had some little difficulty in dealing with home produced commodities such as eggs, fruit, etc., and though it has been remarkably successful it cannot exercise the same strict control as is possible with imports.

The British system of economic control stands on four main props: viz., rationing, price control, wage control,

F. BRADSHAW MAKIN

MR. MAKIN, a resident of England, writes frequently for *BANKING*.

and the draining off of surplus spending power. While all four props are necessary the last is of supreme importance; without it the other three lose their stabilizing power.

Rationing and price control were instituted for the purpose of holding down the cost of living and so acting as a deterrent to demands for wage increases. As is well known the annual cost of subsidizing food prices is in excess of \$500 million, spread over such items as flour, meat, potatoes, milk, eggs, tea, etc. By early 1942 the price of nearly all important foods was controlled and by the end of the year over 105 price orders were in operation. That the control has been effective is proved by the official index of food prices which at the time of writing only shows an increase of 20 per cent over September 1939.

THAT rationing and price control must be jointly operated is obvious when one considers that price control cannot possibly increase available supplies. The controlling of a scarce commodity without rationing merely leads to the black market, the queue, and the shopping scramble. The true position is that one ration leads to yet another and one price control to still further controls.

With regard to wage control: it is now being realized that in a war economy finance plays a smaller role than was formerly thought to be the case. While it is pure rubbish to suggest that "finance does not matter," it is generally agreed that the power of control exercised by purely financial measures becomes of lesser moment as the war progresses. The question, "Can the country afford it?" does not arise in practice, for if a particular thing is necessary for any purpose, then it is obtained irrespective of the financial considerations involved, provided it is physically possible.

Briefly then, financial or money costs are not allowed to interfere with a decision on policy. The Treasury control is therefore limited and narrowed during war. Actually the Treasury can exercise very little control over expenditure, because the amount and the rate of expenditure are decided by the spending departments whose demands are a reflection of the military situation and the

supreme war policy. If, therefore, the Treasury's main purpose is reduced to that of obtaining the necessary funds without being able to exercise control of the disposal of the funds, it is apparent that its power to prevent inflation by financial action alone is extremely limited.

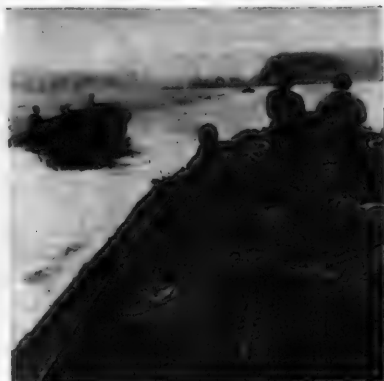
The general view, however, has been that by concentrating on the income side of the problem the evils of inflation can be most effectively controlled; hence the wage stabilization demand. The main argument is that "as the cost of living is being stabilized by price control and rationing there is no justification for all round wage increases; therefore, if wages are stabilized inflation can be controlled."

WAGE stabilization, although up to a point acting as a deterrent to inflation, cannot of itself solve the problem: for, as it has already been emphasized, the rate and amount of total expenditure are set by the war policy and is quite irrespective of income. A further point is that if wages are stabilized, the volume of available goods and services is not; therefore, as the latter will be progressively reduced in supply, there will be a continuous rise in price. Capital resources can also be used as income and the tendency will be for all unrationed commodities to be increasingly demanded.

As most people look upon inflation as a purely monetary phenomenon, un-

... and the campaign against the Japs in the South Pacific was expanded. General MacArthur, below, went to New Guinea to direct operations

... Early Summer also saw the Americans land on, and capturing, Attu Island in the Aleutians, which the Japs had occupied



PRESS ASSOCIATION



due emphasis is laid upon the financial aspect of control, with the result that underlying causal factors and the necessary corrective measures become obscured by irrelevant detail. If the problem is viewed from the side of supply instead of from the financial angle, it is clear that the chief preventive lies in denying to consumers the excess purchasing power which is the main cause of rising prices. The draining off of surplus spending power therefore becomes of particular importance, as unless it can be achieved all other controls are placed in jeopardy. In Britain the wartime income is some 75 per cent

larger than in peacetime, and according to available authoritative data the income of the U. S. A. already approaches 100 per cent, and the expansion is by no means completed. If one considers these figures in the light of the reduced and steadily dwindling volume of civilian consumables one can see the dangers that loom ahead.

In Britain taxation, compulsory and voluntary savings, mop up a large part of the newly created spending power. Rationing and limitation of supplies orders designed to allow the minimum of essentials for civilians fix the amount which can be spent by the individual on

Yum-Yum!

The writer has before him at the moment the U. S. A. points value chart of June 6 showing some 50 or 60 different cuts of beef, with porterhouse steak 11 points per pound. Over here we get 20 cents worth of meat per week and we take what is given us (there is no consumer selection) and we are darned glad to get it.

In case any reader wonders what the writer's reactions might be, here they are: "What couldn't I do to a porterhouse!"



A NEW KIND OF SERVICE FLAG

YES, the "Closed Today" sign is a new kind of service flag—the service flag of the many Purina dealers who are enrolled in the Food for Victory Crusade to fight losses and waste of food and feed on the farm front. These Purina dealers and Purina Field Servicemen are going right out on the farm with practical suggestions for helping farmers step up production of meat, milk and eggs by cutting down losses of food and feed due to disease, parasites, overcrowded and unsanitary conditions and wasteful feeding methods.

Supporting this farm-front work is a nationwide campaign of farm magazine, state farm paper, radio and motion picture advertising... all telling the story of the vital role of food in winning the war—all giving practical suggestions for winning the food production battle on the farm front and making the best use of vital feed supplies.

MR. BANKER:—You Can Help!

If you are located in an agricultural community, your support of the "Food for Victory" Crusade can be an important factor in its success. Ask your local Purina Dealer or the Purina Field Serviceman how you can help. Your ideas and active help are needed to get the job done.



food, clothing and necessities. As many normal channels of expenditure are "blocked," the excess purchasing power goes on luxuries, beer, tobacco, etc., and similar heavily taxed goods, or is automatically saved. Most middle class people, such as professional and banking men, find that the exceptionally heavy taxation, both direct and indirect, so cuts into their incomes that they have little, if any, surplus spending power—most in fact are considerably worse placed than before the war.

Most of us in Britain have to get along without many things which we once thought essential, exist on our limited rations, wrestle with the arithmetic of clothing coupons, pay over large slices of our incomes to the tax gatherer, and if we have any surplus, we then contribute something each week to the war savings. Happily we can still grouse and grumble at the never ending list of controls and restrictions but in our hearts we realize that in spite of the blunders, the job of feeding us and providing for our wants is not being done so badly after all.

... King George VI visited the armies in North Africa. Standing behind him as he takes a salute are Generals Alexander, DeGaulle and Giraud



WIDE WORLD
BANKING

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"FOOD WILL WIN THE WAR AND WRITE THE PEACE"

Ration Banking Changes

Washington, D. C.

As we go to press, decisions are pending at the OPA regarding three matters of particular interest to banks engaged in ration banking. These are the proposal to use tokens, the question of changing the remuneration for banks, and the matter of verification of deposits.

It is taken for granted that OPA has decided to employ tokens in the ration banking system. It is the hope that tokens can be introduced by the early part of January. Whether that hope will be realized depends in part on the solution of many questions which at this writing have not yet been solved.

For example, it has not been announced what materials the tokens will be made of. There has been talk of glass and of plastics. It has not been officially decided at this writing whether the tokens will be of one or two denominations, and what the denomination or denominations will be. The quantity to be manufactured, the method of packaging, and the method of distributing the tokens are all details which still have to be worked out.

NATURALLY, the introduction of tokens will tremendously reduce the number of coupons and stamps necessary for rationing. The token plan will not only reduce the work of banks, but has wide endorsement from representatives of wholesale and retail food organizations. The tokens, which, unlike the stamps, would have no maturity date, would be used in making "change." Those coupons which would still be used along with the token system would then be of large denomination. It is expected that no loose tokens will have to be handled

by the banks, but only those received in bags or other containers.

Even after a decision is made on one or another of these points, some unforeseen obstacle may arise, requiring a change in plans.

At meetings with OPA officials in Chicago and Washington, representatives of the American Bankers Association presented their views not only concerning the use of tokens, but also on

the matter of increasing the compensation of banks and the question of verifying deposits. At this writing, OPA has under consideration an upward revision of compensation of banks cooperating in the rationing program. The A.B.A., working through the state secretaries, contacted several hundred banks, including many small ones, on the subject of ration-banking costs. Later the OPA employed a firm of bank analysts to



... In June Generals Eisenhower, left, and Marshall met in North Africa to plan the assault against Sicily



PRESS ASSOCIATION

WASHINGTON, JEFFERSON, ROOSEVELT, LINCOLN — Each, with a background of farming or ranching, gave inspired service to the nation. American farmers have inherited the spirit, as well as the ideals, of these national heroes . . . and today, VICTORY is the great harvest that lies ahead.

It has been Minneapolis-Moline's privilege to work arm in arm with American farmers, in peace and war. Foresightedly, in 1938, MM originated the "JEEP". Pictured here, against the majesty of Mt. Rushmore's imperishable monument, is the largest MM "JEEP" rolling an



anti-aircraft gun up the mountain. Again, MM machinery, converted to military needs, holds its place among the great defenders of democracy.

By every means at its command, MM is urging farmers to keep their machinery in good repair . . . to return every bit of scrap to the steel mills . . . to buy War Bonds and Stamps.

When Victory is in sight, we can turn again to full-scale output of machinery to produce food for all the world.

Buy War Bonds and Stamps NOW!

MINNEAPOLIS-MOLINE POWER IMPLEMENT COMPANY, MINNEAPOLIS, MINN., U. S. A.

make a similar survey of a large group of banks.

It is anticipated that a revised compensation schedule will be announced within a few weeks and that it will be effective as of July 1.

The A.B.A.'s Ration Banking Committee also discussed with the OPA plans to eliminate the unsatisfactory method of verifying the contents of envelopes containing deposits of ration coupons. Following the OPA's order to the banks to verify the contents of 3 per cent of the envelopes, the Ration Banking Committee protested that the order was contrary to the previous understanding with OPA. Following that protest, OPA agreed to modify its order and work out a permanent plan more satisfactory to the banks. It is possible that means will be provided for certifying the contents of large numbers of envelopes at OPA regional offices, and an announcement on this matter is expected shortly, as we go to press.

INSTRUKCTIONS on this point were recently issued by the OPA to banks in Information Memorandum No. 11, which read as follows:

"Arrangements have been completed whereby district offices of the OPA will



... Generals Keyes, Montgomery and Patton study a map of occupied Sicily. Where next?

verify bulk envelopes containing exactly 2,000 or 5,000 stamps. You were requested in *Manual Memorandum No. 6*, dated June 2, 1943, to retain 10 per cent of such envelopes, selected at random, pending further instructions. All bulk envelopes so retained since the receipt of that memorandum, should be sent to the district office servicing the area in which your bank is located. In the future, 10 per cent of all bulk envelopes are to be forwarded twice a month to the District Office. The name of the bank must appear on every bulk en-

velope forwarded to the district office.

"The bulk envelopes should be forwarded to the district office in the least expensive manner consistent with every possible precaution for safety. At the time the shipment is made, advice on a postal card of the number of envelopes of 2,000 or 5,000 stamps should be mailed to the district office, unless the envelopes are delivered by messenger, in which case they should be delivered against a receipt. *Please make certain that the bank's name appears on the outside of the package.*"

Ration banking operations are further simplified by the elimination of smaller institutional and industrial users of rationed commodities. Heretofore smaller restaurants, bakers, hotels, candy stores and similar establishments received up to six certificates with which to purchase rationed goods. Prior to the issuance of six certificates they were forced to be content with but one. This meant that in order to protect their point credit and to enable them to buy from different dealers at different times they were compelled to open ration bank accounts. This forces thousands of small, unsatisfactory accounts into the banks, a procedure never contemplated when ration banking was inaugurated.

Under the new method these small establishments will be given special coupons issued in denominations of 1,000, 100, 25 and one points. These coupons will be used in the same manner that the housewife now uses her No. 2 ration book.

THE new procedure is welcomed by both the banks and the small industrial and institutional users of rationed goods.

Large concerns will continue to receive certificates from their local boards.

On August 20 the OPA published a revision of General Rationing Order No. 3A. This revision may be obtained from the OPA Press Section by asking for OPA-P-112, which includes all the changes put into effect by earlier amendment and constitutes a simpler and more effective arrangement of the provisions of the General Ration Order No. 3A.

In effect, one of the changes permits the banks to use scales in counting the coupons. It also contains that amendment which reduces the number of certifications necessary on the part of the banks. They do not have to make any certifications unless specifically called for by the OPA.

The A.B.A. Ration Banking Committee plans to issue a bulletin on the new fee schedule and the token plan early in September.

HERBERT BRATTER

BANKING

K E E P U S I N M I N D

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**ON
SEPT.
9TH**



Your Bond Selling Responsibilities Double!

Starting September 9th, your Government will conduct the greatest drive for dollars from individuals in the history of the world—the 3rd War Loan.

This money, to finance the invasion phase of the war, must come in large part from individuals on payrolls.

Right here's where YOUR bond selling responsibilities DOUBLE!

For this extra money must be raised *in addition* to keeping the already established Pay Roll Allotment Plan steadily climbing. At the same time, every individual on Pay Roll Allotment must be urged to dig deep into his pocket to buy *extra* bonds, in order to play his full part in the 3rd War Loan.

Your now *doubled duties* call for these two steps:

1. If you are in charge of your Pay Roll Plan, check up on it at once—or see that whoever is in charge, does so. See that it is hitting on all cylinders—and *keep it climbing!* Sharply

increased Pay Roll percentages are the best warranty of sufficient post war purchasing power to keep the nation's plants (and yours) busy.

2. In the 3rd War Loan, every individual on the Pay Roll Plan will be asked to put an *extra two weeks salary* into War Bonds—over and above his regular allotment. Appoint yourself as one of the salesmen—and see that this sales force has every opportunity to do a real selling job. The sale of these *extra* bonds cuts the inflationary gap and builds added post-war purchasing power.

Financing this war is a tremendous task—but 130,000,000 Americans are going to see it through 100%! This is their own best *individual* opportunity to share in winning the war. The more frequently and more intelligently this sales story is told, the better the average citizen can be made to understand the wisdom of turning every available loose dollar into the finest and safest investment in the world—United States War Bonds.

★ ★ ★

BACK THE ATTACK With War Bonds!

This space is a contribution to victory today and sound business tomorrow by BANKING

Reading the Post-War Signs

(CONTINUED FROM PAGE 23)
why he thinks it won't last much longer and how we might organize a democratic collectivism.

DRUCKER, PETER F. *Future of Industrial Man; a Conservative Approach*. New York, John Day Company. 298 pp. \$2.50. The author's thesis is that while civilization has become fixed on an industrial base, our habits of government and international relations are still feudal or pre-industrial and that in the

peace, society must be organized on the basis of the self-governing industrial plant.

GALLOWAY, G. B., ed. *Planning for America*. New York, Henry Holt and Company, Inc., 1941. 713 pp. \$4.00. A symposium of authoritative opinions and statements of fact on the subject of planning in and for the United States.

HARRIS, S. E., ed. *Postwar Economic Problems*. New York, McGraw-Hill

Book Company, Inc., 1943. 417 pp. \$3.50. Twenty-three experts cover free employment, the state of capitalism, fiscal and related problems, labor and social security, agriculture, international economic relations, and post-war controls.

HOOVER, HERBERT CLARK, AND GIBSON, HUGH. *Problems of Lasting Peace*. New York, Doubleday, Doran and Company. 295 pp. \$2.00. Argument is based on the theory that the history of peace and war is largely a recitation of the operation of seven dynamic forces always at work in human society and failure of men to comprehend and control them.

INSTITUTE OF INTERNATIONAL FINANCE OF NEW YORK UNIVERSITY. *Problems of European Reconstruction*. New York, Author, 1943. (Bulletin No. 123.) 20 pp. 50 cents. Outlines some of the problems involved and analyzes briefly some of the remedies suggested.

JORDAN, HENRY P., ed. *Problems of Postwar Reconstruction*. Washington, American Council on Public Affairs. 292 pp. \$3.25. A collection of lectures given at New York University.

NATIONAL ASSOCIATION OF MANUFACTURERS. *Jobs—Freedom—Opportunity in the Postwar Years*. New York, Author, 1943. Gratis. Preliminary observations on the nature of post-war problems, and on domestic and external requirements for prosperity.

UNITED STATES TREASURY DEPARTMENT. *Preliminary Draft Outline of Proposal for a United and Associated Nations Stabilization Fund*. Washington, Author, 1943. 13 pp. Gratis.

... In mid-Summer Prime Minister Churchill crossed the Atlantic again, with his wife and daughter, for further conferences. In the picture he's talking to Canadian Prime Minister Mackenzie King

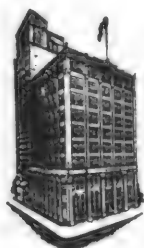


PRESS ASSOCIATION
BANKING

The First National Bank of Miami

Edward C. Romfh, *President*

MIAMI, FLORIDA



*Under Same Management
Since Organization
in 1902*

GREATER MIAMI'S OLDEST
SOUTH FLORIDA'S LARGEST
FINANCIAL INSTITUTION

Total Resources \$65,000,000

Member
Federal Reserve System
Federal Deposit Insurance Corporation

7 things you should do to keep prices down!

If prices soar, this war will last longer, and we could all go broke when it's over. Uncle Sam is fighting hard to keep prices *down*. But he can't do it alone. It's up to *you* to battle against any and every rising price! To help win the war and keep it from being a hollow victory afterward—you must *keep prices down*. And here's how you can do it:



1. BUY ONLY WHAT YOU NEED

Don't buy a *thing* unless you *cannot* get along without it. Spending can't create more goods. It makes them scarce and prices go up. So make everything you own last longer. "Use it up, wear it out, make it do, or do without."



2. PAY NO MORE THAN CEILING PRICES

If you do pay more, you're party to a black market that boosts prices. And if prices go up through the ceiling, your money will be worth less. Buy rationed goods only with stamps.



3. SUPPORT HIGHER TAXES

It's easier and cheaper to pay for the war as you go. And it's better to pay big taxes *now*—while you have the extra money to do it. Every dollar put into taxes means a dollar less to bid for scarce goods and boost prices.



4. PAY OFF OLD DEBTS

Paid-off debts make you independent now . . . and make your position a whale of a lot safer against the day you may be earning less. So pay off every cent you owe—and avoid making new debts as you'd avoid healing Hitler!



5. DON'T ASK MORE MONEY

in wages, or in prices for goods you have to sell. That puts prices up for the things all of us buy. We're all in this war together—business men, farmers and workers. Increases come out of everybody's pocket—including *yours*.



6. SAVE FOR THE FUTURE

Money in the savings bank will come in handy for emergencies. And money in life insurance protects your family, protects you in old age. See that you're ready to meet any situation.



7. BUY WAR BONDS

and hold them. Buy as many as you can. Then cut corners to buy more. Bonds put money to work fighting the war instead of letting it shove up prices. They mean safety for you tomorrow. And they'll help keep prices down today.

KEEP PRICES DOWN . . .

Use it up . . . Wear it out . . .

Make it do . . . Or do without.

This advertisement, prepared by the War Advertising Council, is contributed by this magazine in cooperation with the Magazine Publishers of America.

Experience Service Cooperation

Manned by officials with years of experience, our Correspondent Bank Division renders a complete service, conducted in an intimate and personalized manner.

The guiding policy is one of cooperation in all matters of mutual interest.

The
Public National
BANK AND TRUST
COMPANY OF NEW YORK
ESTABLISHED 1908

*Member: New York Clearing House
Association, Federal Deposit Insurance
Corporation*

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

WARTIME Thoroughness

Wartime collections must be prompt and accurate. At Third National Bank in Nashville, an officer personally looks over each correspondent item sent to this bank for collection.

**THIRD NATIONAL
BANK**

Nashville, Tennessee

Member Federal Deposit Insurance Corporation

★ ★ ★ ★ ★ ★ ★ ★ ★ ★

"Free Booklets"

AT YOUR SERVICE

We'll be glad to see that you get a copy of any or all of these booklets, free of charge or obligation. Each one has been carefully selected for its special value to bankers and business executives. Simply mail your request on bank or company letterhead to Dept. B-31, American Bankers Association, 22 East 40th Street, New York 16, N. Y.

PREFABRICATION

One of the most talked-of developments of the day is prefabrication. What will be the effect on architects, on builders, and on real estate companies? Will houses be portable or demountable? These and many other questions are answered in a 16-page booklet that will increase your knowledge and help you also to answer your customers' questions.

BETTER FLOORS FOR BETTER BUSINESS

A modern floor is no longer just something to walk on. Store owners say a properly designed floor can go a long way toward impressing customers and stepping up sales. This 24-page folder has many suggestions how floor appearance and arrangement may improve business. It is something you can pass along to a friend of yours down the street and help a customer to better business.

PERSONNEL ADMINISTRATION

Here's the finest document we've ever seen on the handling of people. It should be at the right hand of every bank operating officer who has any personnel responsibilities. Every one of its 88 pages suggests something to make the manpower problem easier to solve.

Herman B. Wells, president of the University of Indiana, and former Supervisor of Financial Institutions in Indiana, has been appointed Deputy Director of the Office of Foreign Economic Coordination. This section of the State Department functions in areas liberated from Axis control



HARRIS & WELLS

Booklets Still At Your Service

MODERNIZE AND BE PATRIOTIC

Many banks have remodeled their banking quarters, using non-essential material and at the same time have released thousands of pounds of scrap metal which directly aids the war effort. This eight-page folder tells how banks have been getting "in the scrap now."

A BANK STOCK SURVEY

A leading investment house has made a careful 40-page study of the improved outlook of banking as an essential industry, with particular reference to the future earning power of 50 leading banks.

PREVENT EMPLOYEE ACCIDENTS

Make sure each of your employees has one of these check-lists of safety. It will help smash the 7th column—carelessness—which robs banks of so many productive working hours. Free copies also available to your industrial customers.

INCREASE STORE PROPERTY REVENUE

Bank-owned or customer-owned stores yield more revenue if the store front is friendly and attractive. This 28-page, liberally illustrated booklet will spark revenue-producing ideas for stores in which you have an interest.

LETTERHEAD SAMPLES

In this little booklet are samples of letterheads made of a paper that has a "bank-note feel" because it is 100 per cent rag content. Specially desirable for bank letterheads, and the cost is but a fraction more for top-notch quality.

CRIME DIGEST

Here, in 36 pages, are eight important articles on accident and loss prevention for business, banking and industry based upon the field experience and research of a group of loss-prevention experts.

BANKING'S NEWSLETTER

Vital information in concise form for bankers and business executives. Keeps you up-to-date at a minimum of reading time. Published monthly at mid-month between issues of BANKING. Special rate to A.B.A. members ONLY \$1.50 a year. Regular price, \$3 a year.

BANKING, 22 E. 40th St., New York, 16, N. Y.

BANKING

A big package of protection



...at a new low cost!

Find out about it . . . now!

Theft and burglary losses are increasing! Here in one "package"—one insurance policy—is the broadest protection ever offered to you. It will cover you and your family—at home and anywhere else—against loss by theft, burglary, holdup and robbery, and even by mysterious disappearance!

It costs you less!

While it provides exceptionally broad protection on money and personal

property, this new Hartford Residence and Outside Theft Policy actually costs less* than the more limited forms it has replaced. In fact, it gives you coverage that was not previously obtainable through Theft insurance at any price.

Get full details

There are 15 good reasons why you should have this protection. They are explained in detail in a folder which shows clearly why this new Hartford policy is an outstanding buy for everyone who has anything worth stealing!

*Except in parts of New York City

Send the coupon for the folder—or get the whole story from your local Hartford agent or your insurance broker.

Return this Coupon

Hartford Accident and Indemnity Co. Hartford, Conn.	En.
Please send me your folder giving details of your new, low cost Residence and Outside Theft Policy.	
Name	
Address	
City	State
<input type="checkbox"/> Your Hartford Agent will call ON REQUEST (check at left).	

**We are at war. We are on the offensive.
Back the attack by buying War Bonds.**

HARTFORD INSURANCE

Hartford Fire Insurance Company • Hartford Accident and Indemnity Company

THE TWO HARTFORDS WRITE PRACTICALLY EVERY FORM OF INSURANCE EXCEPT LIFE



HARTFORD, CONNECTICUT

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This new home of National City's twenty-eight year old Rio de Janeiro Branch is the latest re-affirmation of this Bank's belief that the future of Inter-American trade relationship is firmly established.



Branches, strategically located throughout the Americas, are embassies of trade, serving National City's correspondent banks, businesses and individuals identified with Inter-American finance and commerce.

SINCE The National City Bank of New York established its first overseas branch—in Buenos Aires in 1914—this world-wide banking organization has been concerned with financing the production, manufacture and marketing of South America's many raw materials. It has played a continuing part in the program of supplying and adapting modern machinery for efficient development.

National City officers and staff have been impressed with the seriousness of their responsibilities for sharing their knowledge of international financial problems with the Bank's customers and friends. These men have had long personal experience in Inter-American banking and are assisting daily in furthering the sound establishment of commercial relations between the Americas. They will be glad to consult with you.

INTER-AMERICAN BRANCHES

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THE NATIONAL CITY BANK OF NEW YORK

66 Branches in Greater New York

Head Office: 55 Wall Street

Correspondents Everywhere

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

THE CONDITION OF BUSINESS

By WILLIAM R. KUHN

THE OUTLOOK. All roads on the business horizon today lead directly to the post-war problem. Each new success abroad is a reminder of the lack of success at home, in coming actually to grips with the question of what to do when the war orders stop. Every time we look around the shadow is still there.

If the war should end tomorrow or several years from now, concerns riding along without watching the signs will find that the end of the war will be the end of the road. Theirs will be a Hobson's choice of discharging employees wholesale or doing it gradually.

All too frequently a drastic reduction in the payroll is the sum and substance of a firm's post-war planning, little reckoning that if every business followed such a plan they would all be in trouble.

• **POST-WAR PLAN NO. 1.** Out of all the multitude of post-war plans and theories there is only one at the head of the list and it applies to all businesses and individuals too. It is the little plan of having some money put aside to take care of contingencies in the period between war and peace.

This raises two questions instantly. What are the contingencies and how can a business build up reserves for reconversion under the present tax setup and various price and contract limitations?

The second one is simple to answer. It cannot be done. In a majority of industries even the most careful budgeting with an eye to the post-war picture will not guarantee a safe cash position for these times. It will first be necessary for the tax laws and the regulations governing contract negotiation to recognize the need for reserves for reconversion to peace.

In simple outline some of the high points in the post-war landscape already fairly well discernible are these:

Production. (1) The capacity to produce things demonstrated by the United States since Pearl Harbor, particularly the ability to increase the output rapidly and improve the quality of materials and workmanship at the same time, constitutes a record that will probably prove the greatest single post-war factor.

Producers. (2) The training that millions are receiving in industry and in the armed forces is creating a prodigious wealth of knowledge, skill and interest with potentialities which are easy to see but too big to measure.

Two and Two. (3) Just what the economic climate is going to be and whether it will be favorable to careers, opportunities and private investment, is a question which has bothered business a great deal. However, by putting two and two together it is possible to reach a fairly satisfactory conclusion, for example:

Business is all set to go, in a technical sense, as never before. On the other hand are the millions who are looking for opportunity and who are impatient with

the rigid controls necessitated by war. These two powerful elements are almost sure to connect.

Millions of new investment minded individuals are being created through the distribution of War Bonds and these same persons are being sold on the desirability of products which will be available after the war. It is only a short step to wanting to share in the investment possibilities of industries making those products.

Government Competition. (4) Some of the Government's controls will persist because they will be necessary for a time but there are good reasons for hoping that government competition with private business will diminish. The Government will own billions of dollars worth of plants and materials but the aim will surely be to turn these back to private control as rapidly as possible. The reason is that almost any business can be run more efficiently and productively under private management for profit and it is not going to take much longer to establish this fact beyond argument.

International Trade. (5) In the case of foreign trade it is already apparent that government funds, policies and personalities will figure to an extent greater than heretofore. At least this will be the case for a number of years because of the reconstruction job, the risks involved and the fact that for a while business and politics abroad will be as inseparable as Siamese twins.

Spree or Slump. (6) Evidence of the fundamental difficulty of post-war thinking is the fact that some expect a slump and others expect a buying spree. On the same platform, in the same speeches, the same pages and the same conversations, one can often find these two opposite worries side by side. Yet no conceivable amount of post-war demand for consumer and peacetime goods can fill the gap that will result from the cessation of war production.

Advertising and Selling. (7) Another basic question that needs an answer is the whole idea of saving today for specific purchases after the war.

The Government is selling War Bonds through the direct appeal of accumulating money for buying later the things which are not buyable now.

Fear of a post-war buying splurge has led some to believe that there is danger in aggressive selling of specified products for future purchase. They see the possibility of War Bond holders all trying to get cash at once, embarrassing the Treasury and bidding up prices.

For a number of reasons this is not likely. At the termination of the war there are quite a few courses open to the Treasury, not the least effective of which would be a "hold-your-bonds" campaign promoted with all the well known publicity weapons. The banks too will have billions available for consumer credit and will use their advertising aggressively to further the idea of holding government bonds.

